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[ISSUED SATURDAY, 10TH JULY, 1920.]



COMMONWEALTH OF AUSTRALIA.

# PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

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# EIGHTH PARLIAMENT.

FIRST SESSION.

## Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

## Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy .. .	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G.
Treasurer .. .	The Right Honorable Lord Forrest, P.C., G.C.M.G. <i>Succeeded by</i>
Minister for Defence .. .	The Right Honorable William Alexander Watt, P.C. (27th March, 1918).†††
Minister for Repatriation .. .	The Honorable George Foster Pearce.
Minister for Works and Railways .. .	The Honorable Edward Davis Millen.
Minister for Home and Territories .. .	The Right Honorable William Alexander Watt, P.C. <i>Succeeded by</i>
Minister for Trade and Customs .. .	The Honorable Littleton Ernest Groom (27th March, 1918). The Honorable Patrick McMahon Glynn, K.C. ††
Postmaster-General .. .	<i>Succeeded by</i>
Vice-President of the Executive Council .. .	The Honorable Alexander Poynton (4th February, 1920). The Honorable Jens August Jensen.† <i>Succeeded by</i>
Honorary Minister .. .	The Right Honorable William Alexander Watt, P.C. (13th December, 1918). <i>Succeeded by</i>
Honorary Minister .. .	The Honorable Walter Massy Greene (17th January, 1919).
Honorary Minister .. .	The Honorable William Webster. ††
Honorary Minister .. .	<i>Succeeded by</i>
Honorary Minister .. .	The Honorable George Henry Wise (4th February, 1920). The Honorable Littleton Ernest Groom. <i>Succeeded by</i>
Honorary Minister .. .	The Honorable Edward John Russell (17th March, 1918). The Honorable Edward John Russell <i>Appointed Vice-President of the Executive Council, 27th March, 1918.</i>
Honorary Minister .. .	The Honorable Alexander Poynton.
Honorary Minister .. .	Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister .. .	The Honorable George Henry Wise <i>Appointed Postmaster-General, 4th February, 1920.</i>
Honorary Minister .. .	The Honorable Walter Massy Greene. <i>Appointed Minister for Trade and Customs, 17th January, 1919.*</i>
Honorary Minister .. .	The Honorable Richard Beaumont Orchard.††
Honorary Minister .. .	The Honorable Sir Granville de Lanne Lytle, K.C.M.G., C.B., V.D. ††
Honorary Minister .. .	The Honorable William Henry Laird Smith.††

\* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—\*\* Resigned office, 21st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.—†††† Resignation from office gazetted, 15th June, 1920.

## Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Adamson, Hon. John, C.B.E. (Q.)	Guthrie, James Francis (V.)
Bakhap, Thomas Jerome Kingston (T.)	Guthrie, Robert Storrie (S.A.)
Benny, Benjamin (S.A.)	Henderson, George (W.A.)
Bolton, William Kinsey (V.)	Keating, Hon. John Henry (T.)
Buzacott, Richard (W.A.)	Lynch, Hon. Patrick Joseph (W.A.)
Cox, Charles Frederick, C.B., C.M.G. (N.S.W.)	Millen, Hon. Edward Davis (N.S.W.)
Crawford, Thomas William (Q.)	Millen, John Dunlop (T.)
De Largie, Hon. Hugh (W.A.)	Newland, John (S.A.)
Drake-Brockman, Edmund Alfred (W.A.)	Payne, Hon. Herbert James Mockford (T.)
Duncan, Walter Leslie (N.S.W.)	Pearce, Hon. George Foster (W.A.)
Earle, Hon. John (T.)	Plain, William (V.)
Elliott, Harold Edward, C.B., C.M.G. (V.)	Pratten, Herbert Edward (N.S.W.)
Fairbairn, George (V.)	Reid, Matthew (Q.)
Foll, Hattil Spencer (Q.)	Rowell, James, C.B. (S.A.)
Foster, George Matthew (T.)	Russell, Hon. Edward John (V.)
Gardiner, Hon. Albert (N.S.W.)	Senior, William (S.A.)
Givens, Hon. Thomas (Q.)	Thomas, Hon. Josiah (N.S.W.)
Glasgow, Sir Thomas William, K.C.B., C.M.G. (Q.)	Wilson, Reginald Victor (S.A.)

might well be followed up. I do not know whether it has been applied to cast-iron pipes.

**Mr. GREENE.**—It has been applied, not to cast, but to wrought-iron pipes.

**Mr. TUDOR.**—It should be applied to wrought-iron pipes of small diameter for house reticulation purposes. I hope that, during this discussion honorable members will not hesitate to point to any defects in the Tariff. I shall be quite ready to do so, and I shall be pleased to know that we shall have an opportunity to alter and amend it. No Minister—no matter to what party he belongs—can claim to have that general knowledge of the industries of Australia which is possessed by the House as a whole. The Minister in charge should be glad to avail himself of the combined knowledge of honorable members. Every honorable member has a knowledge of the particular industries in his own electorate, and the extent to which they affect it, and I hope that we shall be guided in our deliberations by a desire to make Australia as self-contained as possible. We have been told by one daily newspaper that we have no right to consider such a matter; but I, for one, care not for the opinions expressed in the newspapers. It is our duty to make Australia less dependent upon other countries than she has hitherto been. During the war we found that we were able to manufacture much that we had never attempted before, and I am convinced that the Australian workman, when supplied with the necessary machinery and tools, can hold his own with the most skilled workers of any other country.

**Mr. GREGORY (Dampier) [10.15].**—I should like at the outset to refer to a remark made by the Leader of the Opposition (Mr. Tudor), who, in reply to an interjection made by me, classed me as one of the "Stinking-fish" party, so far as the progress of Australia was concerned.

**Mr. TUDOR.**—If the honorable member objects to the remark I shall have pleasure in withdrawing it.

**Mr. GREGORY.**—I do not regard it as offensive, for I know that the honorable member did not intend it to be. No honorable member has a keener desire than I have to advance the best interests of Australia. I also give the

Leader of the Opposition credit for a desire to improve the conditions of the country.

**Mr. STEWART.**—There is only a slight difference of opinion between us as to the best way to improve the conditions of the country.

**Mr. GREGORY.**—That is so. When in Sydney recently I saw some thousands of small parcels of hats which had been sent by parcels post from America. A more expensive way of importing them could not have been adopted. The rabbit skins from which they had been manufactured had been purchased at high prices and sent from Australia to the United States of America at heavy freights. The wages paid in the trade in the United States of America were higher than those prevailing here, and yet it was possible to bring over this enormous consignment in the most expensive way, and to compete with the local manufacturers. How was that possible? Surely there must be something wrong with the industry here. Again, only a few days ago, at the Parcels Post Office, I, in company with other members of the Public Works Committee, saw large quantities of goods which had been sent here in the same way, not only from the United States of America, but Japan.

**Mr. CORSER.**—Australia can produce hats as good as those manufactured in any other part of the world.

**Mr. GREGORY.**—We should be able to do so, and it seems to me to be extraordinary that we are not making much greater strides in regard to the manufacture, not only of hats, but boots. Millions of pounds worth of boots should have been exported from Australia during the war. Industry generally should have flourished here. The fault rests, not with the Australian workmen, but with the agitators, who got behind them in the first place and urged them to "go slow," and put other obstacles in the way of the activities of the Commonwealth.

Coming to the Tariff itself, I thought that, when the present Leader of the Opposition, as Minister for Trade and Customs, introduced his Tariff of 1914 we had reached the standard of Protection required to build up the industries of Australia. For fifteen or twenty years

before we had heard it said that, in order to build up Australian industries, a higher Tariff was necessary. The Tariff was continually increased until, with the introduction of that of 1914, I believed we had a Tariff which would enable local manufacturers to compete with the rest of the world. But we have now submitted to us a Tariff that "out-Herods Herod," largely increasing the duties on almost every article we require. There can be no argument at the present time for an increased Tariff in order to build up Australian industries. We know that, prior to the war, we had been importing large quantities of goods from various countries. Prices have increased enormously, but still we are, and must continue, importing. This has been due to the fact, not that the duties in force at the outbreak of war were insufficient to protect Australian manufacturers, but that millions of people, and hundreds of thousands of pounds worth of machinery, were diverted from peaceful pursuits to the manufacture of munitions of war. Machinery which had formerly been used in the manufacture of these goods had to be utilized in the production of war material. Of recent years it has been almost impossible to get goods into Australia in any shape or form. Yet, at a time like this, a new Tariff has been brought forward.

We ought to be told whether this Tariff is intended to be revenue producing, or whether it is designed to encourage the establishment of local industries.

Mr. CORSER.—Do we not export an enormous quantity of raw material, when we should be utilizing it for manufacturing purposes?

Mr. GREGORY.—The man who produces the raw material of this country ought to be able to get the world's parity for it. The only way in which we shall ever be able to progress and discharge the tremendous obligations with which we are faced is by developing the vast vacant spaces of Australia, and by encouraging people to come here. When we have a population of 15,000,000 or 20,000,000, which we shall have with good government, there will be a home market for the manufacturer, who will thus be in a far better position to compete in the open markets of the world than he is to-day.

About 1913-14 the value of our primary industries was something like £170,000,000, whilst that of our manufactured products was only about £60,000,000. In 1918, the value of our primary industries was over £200,000,000, whilst that of our manufacturing industries was less than £70,000,000. We know that one-half of the population of Australia is to be found in the State capitals. I have figures in my possession which will refute the statement of the Minister for Trade and Customs (Mr. Greene) in regard to the population of this country. The Commonwealth Statistician tells me that 50 per cent. of our population is urban in character. Whilst such conditions obtain, the man who goes into the bush to struggle for an existence has an embargo placed upon the exportation of his products.

Mr. GREENE.—What embargo is there upon the export of goods to-day?

Mr. GREGORY.—The Leader of the Opposition spoke of an embargo in regard to copper production. I do not know the facts of the case he speaks of, but I do know what the Government did in regard to the export of metals from Australia. I have previously cited the case of a few men, who, after battling in the back country for some years, took £70,000 worth of lead out of a small pot-hole in less than two years. Yet the profit that they obtained was less than £4,000. They were not allowed to export their product except through certain agencies.

Mr. GREENE.—On account of war restrictions.

Mr. GREGORY.—Yes. The effect of that policy was to build up a few monopolists in our cities. In my judgment, that is one of the vilest things that has ever happened; and what has happened with the metal industry may to-morrow affect some other industry.

Coming to the Tariff itself, I have a bitter complaint to make concerning many of the acts of the Customs Department. I object to the action of the Department in imposing embargoes upon many classes of goods coming into this country. I am not speaking of the present Minister's administration, but of a period antecedent to it. Take as an illustration the question of sheep dip. There is nothing more essential to Australia than is a first

class sheep dip. I think that such an article was being manufactured here. Our local manufacturers asked for no embargo upon the imported article. Yet, upon the initiative of Sir John Higgins and the firm of Leggo and Company, an embargo was placed upon it.

**Mr. JACKSON.**—There is nothing wrong with Leggo's sheep dip.

**Mr. GREGORY.**—It may be far better than the imported sheep dips. But the firms of Cooper and Little have been doing business here for the past sixty or seventy years. They have their agencies all over the world, and were exporting sheep dip to this country. Every effort was made by the Government to prevent them securing the requisite shipping space.

**Mr. CORSER.**—We wanted to compel them to establish factories here.

**Mr. JACKSON.**—The cursed Tariff again!

**Mr. GREGORY.**—The perfect Tariff again. If the honorable member for Wide Bay (Mr. Corser), for the purpose of assisting some other body of individuals, is prepared to destroy the trade of a British firm by placing an embargo upon the importation of its products, I have the utmost contempt for him.

Progress reported.

House adjourned at 10.29 p.m.

## House of Representatives.

Friday, 2 July, 1920.

**Mr. SPEAKER (Hon. Sir Elliot Johnson).** took the chair at 11 a.m., and read prayers.

### MAIL CONTRACTORS.

**Mr. CHARLTON.**—In view of the high cost of fodder in New South Wales, will the Postmaster-General take into consideration the necessity of granting a fodder allowance to mail contractors in that State for the year 1920?

**Mr. WISE.**—Yes. I will consider the matter.

Later:

**Mr. PARKER MOLONEY.**—Has the Postmaster-General yet come to a definite

arrangement for the granting of relief to mail contractors for the year 1920? I understand that relief was given up to the end of last year, and that the Department has under consideration the granting of assistance in respect of the current year.

**Mr. WISE.**—I informed the honorable member for Hunter (Mr. Charlton) a few minutes ago that I was considering the matter.

**Mr. PARKER MOLONEY.**—I was not present when that statement was made.

### STATE LOANS AND FEDERAL TAXATION.

**Mr. TUDOR.**—Honorable members are doubtless aware that the New South Wales Government are issuing a loan which, they state, will be free of Commonwealth and State income tax. In this morning's newspapers a similar announcement is made with regard to a Victorian loan.

**Mr. BLUNDELL.**—The South Australian Government are also floating a loan which it is said will be free of Commonwealth and State income tax.

**Mr. TUDOR.**—I desire to ask the Acting Treasurer whether, in view of the decision of the High Court in the case of *d'Emden v. Pedder*, it is competent for any State Government to issue a loan free of Commonwealth income tax?

**Mr. J. H. CATTS.**—A State Government may undertake to pay the Federal tax on a State loan.

**Mr. TUDOR.**—I am aware of that, but I am anxious to ascertain whether the State Governments can give this assurance in view of the fact that these loans are largely subscribed by persons with big incomes which are subject to the higher rates of taxation. The exemption of such investments from Federal income tax is unfair to the rest of the community.

**Sir JOSEPH COOK.**—The position is—

**Mr. J. H. CATTS.**—Are not Commonwealth loans free of State taxation?

**Sir JOSEPH COOK.**—They are, and State loans are free of Federal income tax. I confess that I was not aware of that fact until a few days ago. The question of whether or not incomes so derived are taxable has not yet been decided. It

a constitutional point, and until it has been determined, I cannot say whether they are taxable. Meantime no taxation is being collected in respect of income from State loans.

#### NORTHERN TERRITORY ADMINISTRATION.

#### ERROR IN PRINTED REPORT OF COMMISSION.

Mr. TUDOR.—Is the Minister for Home and Territories aware that on page 4 of the printed report of the Royal Commission on the Northern Territory administration the name of an ex-Minister for Home and Territories (Mr. Glynn) is wrongly mentioned? I was informed yesterday that the reference was intended to be, not to Mr. Glynn, but to another ex-Minister.

Mr. POYNTON.—The report was printed in accordance with the text of the official report submitted, but I have ascertained on inquiry that, as the honorable member states, the name of Mr. Glynn appears in error. An effort is being made to have the error corrected.

#### PETITION BY MR. J. B. RONALD.

Mr. MATHEWS.—Is the Prime Minister aware that Mr. J. B. Ronald presented a petition of grace to His Majesty the King praying for justice in connexion with what is known as the Ronald-Harper case, and was advised that the petition had been sent on to the Commonwealth Government? Will the Government lay on the table of the House all the correspondence which has passed between them and His Majesty in regard to the Harper case?

Mr. HUGHES.—There has been placed in my hands a newspaper extract stating that Mr. Ronald had approached the Colonial Office and had subsequently been advised to approach His Majesty by way of petition of grace, and that His Majesty had stated that he would communicate his answer, through the Governor-General, to the Commonwealth Government. I am not aware whether His Majesty has done so, but will ascertain from the Governor-General; and, if there is any correspondence, I shall ask His Excellency whether I may be permitted to lay it on the table of the House.

#### PASSPORTS.

Mr. CONSIDINE.—Will the Minister for Home and Territories state whether any charge or fee is made for the issue of passports to persons desirous of leaving the Commonwealth?

Mr. POYNTON.—A fee is charged.

Mr. CONSIDINE.—What is the fee?

Mr. POYNTON.—As I am always careful to supply accurate answers, I ask the honorable member to give notice of his question.

#### FEDERAL CAPITAL.

Mr. J. H. CATTS.—I understand that the Acting Treasurer will shortly be delivering his Budget Statement. Will he avail himself of the opportunity to explain to the House exactly what he proposes to do in the way of providing moneys during the current financial year for carrying on the work of building the Federal Capital?

Sir JOSEPH COOK.—I hope to explain what is proposed when the Budget statement is submitted.

#### COMMONWEALTH LOAN.

Sir JOSEPH COOK.—(*By leave*).—I had thought of making to-day a short statement regarding the new Commonwealth loan, but since the Prime Minister is, I understand, to lay on the table this morning the cable messages—which have been edited—that passed between the ex-Treasurer (Mr. Watt) and himself and proposes to deal with that very important matter, I fear that, from the point of view of publicity, it would be prejudicial to the loan itself if I were on the same day to make a statement with regard to it. I was wondering whether the House, in the peculiar circumstances in which we find ourselves, would think me wanting in my duty to it if, instead of making the statement to-day—and, after all, it will be only a short one—I were to publish it in the press on Monday next.

Mr. TUDOR.—Will the new loan differ in respect of the rate of interest and other conditions from any other which has been issued in the Commonwealth?

Sir JOSEPH COOK.—Yes. The only question is whether I should make this statement side by side with the other very important matter to which I have referred. I do not think it would be fair

to the loan itself to do that. I should like the statement to go out when the public mind will not be occupied by other important matters.

Mr. TUDOR.—The right honorable gentleman might state that he proposes to issue the loan on a certain date, and intimate the date on which subscriptions will close.

Sir JOSEPH COOK.—I am only anxious that the House should not regard me as treating it with courtesy by publishing the statement in the press before it is made to the House.

Mr. FENTON.—It is only fair to the House that the statement should first be made here.

Sir JOSEPH COOK.—If the House insists upon it, I shall make the statement to the House.

#### LAUNCHING OF THE *EMITA*.

Mr. MATHEWS.—There are many wild rumours as to the mishap which occurred in connexion with the launching of the Commonwealth steamer *Emita* at Williamstown yesterday, and as to the damage done. Will the Minister in charge of Ship Construction make a statement as to the responsibility for the accident, and the extent of the damage, and so allay any public fears on the subject?

Mr. POYNTON.—I am not in a position at the present moment to make a statement. I have asked for a report, and may have it later in the day.

#### RESIGNATION OF TREASURER.

Mr. HIGGS.—With reference to the proposal to lay on the table the cable correspondence between Mr. Watt and the Government, I understand that the Leader of the Opposition (Mr. Tudor) and the Leader of the Country party (Mr. McWilliams) have, with the Prime Minister, edited the correspondence, and that all are satisfied that, as edited, it should be published, and that Mr. Watt would not in any way be disadvantaged by its publication.

Mr. MCWILLIAMS.—Hear, hear.

Mr. HIGGS.—If the various parties are satisfied, I wish to ask whether there is any necessity to publish this correspondence until Mr. Watt has arrived in the Commonwealth?

Mr. J. H. CATTS.—How can all parties be satisfied when we know nothing about it?

Mr. HUGHES.—I cannot deal with this matter by way of answer to a question, but may I say that I have my rights just as have other men? I think it is only fair to say that as soon as Mr. Watt resigned it was assumed, as usual, by the press of this country, or of this State, at any rate, that I was in the wrong. I was not only blamed for being the cause of Mr. Watt's resignation, but for not immediately accepting it, and for refraining from making a statement on the whole matter. As honorable members know, I made a statement after consulting my colleagues, as any sensible man would have done in the circumstances, and that statement, to put it mildly, upset my critics more than a little. Of course, they withdrew nothing that they had said about me, but they suggested that they would wait until Mr. Watt came back before they said anything more. There the matter would have rested but for Mr. Watt himself, who suggested the unusual course of laying the correspondence between us on the table. If I had declined to do this, is it not obvious that my refusal would have been construed as an admission by me that the course suggested by Mr. Watt would prove him to be in the right and me in the wrong? In the circumstances, therefore, I have followed Mr. Watt's suggestion. This House, and the people of the country are to act as a jury to try the case, and judge who is in the wrong. I have my reputation to consider, just as Mr. Watt has his. Mr. Watt has been my colleague, and I have never said, and do not propose to say, one word against him. He has, however, resigned, and I must show that his resignation was due to no act or fault of mine. The honorable member for Capricornia (Mr. Higgs) said that as the Leader of the Opposition and the Leader of the Country party are satisfied, after editing the cables that passed between Mr. Watt and the Government, Mr. Watt will be placed at no disadvantage by their publication, we should, therefore, not publish them at all. But the honorable member is under a misapprehension as to what the position is. All that those who edited the cables have done has been to excise those things that have

lly no bearing on this matter at all, and are matters which, in the public interest, ought not to be published. They have not attempted to judge the merits of the case. Everything that relates to the resignation of Mr. Watt will be laid on the table. I am now appealing as a private member of the House, and I say to my fellow members that they have a right to hear me, because I have been assailed.

Mr. TUDOR.—Let the honorable gentleman ask leave to make a statement, and do it now.

Mr. HUGHES.—I should not have taken the course of tabling the cablegrams if it had not been that Mr. Watt himself suggested the adoption of that course. Since he has suggested it, then I do what he has asked, because if I did not do so it would be said that the cablegrams proved Mr. Watt's case. It seems to me, therefore, that I have no option but to adopt Mr. Watt's suggestion.

Mr. SPEAKER.—Perhaps the right honorable gentleman had better obtain leave to make his statement at this stage.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [11.18].—*(By leave).*—As I have said, the course proposed to be followed in connexion with this matter is a most unusual one. So far as I know, it is without precedent for a Government to table the secret correspondence that has passed between its various members in relation to public matters. But then the circumstances are unprecedented, too. Let me remind honorable members for a moment of what the position is. It is grave in the extreme. My late colleague went Home to deal with matters—to quote his own words—"of life and death. The financial circumstances of the Commonwealth at present are most embarrassed. I need not dwell on them for they are well known. I refer honorable members to the statements made by the ex-Treasurer in Parliament and outside. He went Home because it was considered impossible to grapple with the situation from a distance. A man on the spot was called for, and he, by virtue of his position as Treasurer of the Commonwealth, was by all sections of the House considered the proper man to go to London to deal with it. The most important and pressing object of the mission related to finance. In addition, there were other matters to

be dealt with, not less important, although, perhaps, less urgent. Amongst these were matters that arise out of the Treaty of Peace—mandates, League of Nations, and War Indemnity. There was also the re-organization of the High Commissioner's Office in London, the question of a trade representation in England and elsewhere, and the question of immigration.

After the right honorable gentleman's departure the Allied Powers decided to hold two Conferences of the first importance, one at Brussels to deal with finance, and the other at Spa to consider, and, if necessary, to revise, the Versailles Treaty. Mr. Watt was appointed the sole representative of Australia to both these Conferences.

Dr. MALONEY.—And deserted us.

Mr. HUGHES.—Yes; to-day we have neither any representative on these vitally important Conferences, nor any representative in London to deal with finance. Honorable members can readily appreciate what this involves. For example, the day before yesterday the time expired when it became necessary to find a huge sum of money in London. We had no one there to carry on the difficult and delicate negotiations on the London money market, or to put our case to the British Government. The Brussels Finance Conference is coming on. We shall be unrepresented. The Spa Conference, at which the question of the war indemnity will be raised and important revisions of the Treaty of Versailles may be made, is shortly to be held. Australia will be without a representative to uphold her vital interests.

In the circumstances, therefore, the resignation of Mr. Watt creates a situation very different from that which would have arisen from his resignation here, or of that of myself, or any of my colleagues in Australia. If a Minister resigns while in Australia he can be replaced. But by no effort is it possible for us to place a man 12,000 miles away in sufficient time to take up the threads of the mission with which Mr. Watt was intrusted. These considerations then, together with the request of Mr. Watt himself that the cables that passed between us should be published, are the reasons, or excuse, if honorable members

prefer it, why I take this unprecedented course.

The cables that passed between Mr. Watt and myself were very numerous, and, in some cases, very lengthy. The whole of the file which the Leader of the Opposition (Mr. Tudor) asked yesterday should be published was laid before a Committee consisting of that honorable gentleman, the Leader of the Country party (Mr. McWilliams), and myself, and the cables were edited. There was no difference of opinion between us as to what should be excised. By general consent certain things were left out. I give the House and the country the assurance on behalf of myself, the Leader of the Opposition, and the Leader of the Country party, that nothing has been left out the omission of which could in any way affect Mr. Watt to his disadvantage or prejudice, and that all things left out have been omitted only in the public interests of the Commonwealth. I think it only proper to say further that Mr. Shepherd, the Secretary to the Prime Minister's Department, who has charge of all these files, and through whose hands all these telegrams go and come, and who ciphers and deciphers them, was asked by me in the presence of the honorable member for Franklin (Mr. McWilliams) and the honorable member for Yarra (Mr. Tudor) whether this was the complete file, and he said that, with the exception of two telegrams sent by the Department of the Treasury, at Mr. Watt's request, to supply him with particulars about financial affairs in that Department, this was a complete file. The cablegrams referred to, I understand, were purely departmental, and have nothing whatever to do with the matter with which I am dealing. I have not got them here, and have not seen them, but I am prepared to show them to the honorable members to whom I have referred.

Sir JOSEPH COOK.—They were simply giving Mr. Watt information for which he asked.

Mr. HUGHES.—Just so; but I am prepared to show them to the honorable members for Yarra and Franklin, and if they think that there is anything in them that concerns this matter, I shall have them laid on the table. With this pre-

amble, I will, without further ado, read the correspondence:—

[Radiogram sent by the Prime Minister to Mr. Watt, passenger per *Konigin Luise*, 25th March, 1919.]

All well. Gratuity Bill being discussed. Tariff introduced. Kindest regards.

HUGHES.

[Telegram received by the Prime Minister from Mr. Watt, *Konigin Luise*, Perth, dated 26th March.]

Glad know things going well. Trip slow, but so far enjoyable. Feeling better. Best wishes self and colleagues.

WATT.

[Radio message sent to Mr. Watt, *Konigin Luise*, by the Prime Minister, dated 31st March.]

Cabled High Commissioner to-day approving extension to 31st May of employment Voss, Acting Australian Commercial Agent, Paris. Glad if you will look into matter and favour with your views.

HUGHES.

[Radio message received by the Prime Minister from Mr. Watt, s.s. *Konigin Luise*, dated 31st March.]

Have been expecting a telegram giving news of Australia, but (?except) for your telegram March 26th nothing reached me. Please instruct Shepherd to send me cables sent High Commissioner, and also report the result New South Wales elections, also any cables from Secretary of State which you have received since I left with reference to Mandate, League of Nations, &c. Everything well with me. Hope that same in your case. Kind regards to yourself and Cabinet.

WATT.

[Radio message received by the Prime Minister from Mr. Watt, s.s. *Konigin Luise*, dated Colombo, 9th April.]

Urgent. Disappointed that you have not, according to promise and my last telegram request, sent me latest confidential information reference Peace Treaty, League of Nations, and Mandate. Unless I receive advice as to developments these questions, it will not be possible for me to effect anything, and I shall not task (attempt the task?). Three telegrams received from you in over three weeks only deal with trade representation France and local Australian affairs. Regards.

WATT.

[Cablegram sent by the Prime Minister to Mr. Watt, s.s. *Konigin Luise*, Suez, on 15th April.]

Settlement Barrier strike expected. Wales Labour Government formed—Storey, Premier. Parliament resumed yesterday. Hughes stated Government's arbitration policy, also intimated would ask House express opinion paying travelling expenses Ministers. High Court case against Wool Committee and Prime Minister, Wool Slipping Company, dismissed. Thousand persons congregated Parliament House yesterday urging 50 per cent. cash war gratuity. Hughes refused. Queensland agreed amalgamate its Savings Bank with Commonwealth

Resignation of [REPRESENTATIVES.] Treasurer.

link. Repatriation Bill introduced Representatives. Gratuity Bill Senate. Mr. Watt's family all well. Mr. Reid's family all well.

HUGHES.

[Extract from cablegram sent by the Prime Minister to Mr. Watt, s.s. *Konigin Luise*, Suez, on 16th April.]

Private. Your telegrams. Regret disappointing you, but as Shepherd sent you news cables, and I have had no further Mandate, Treaty, League of Nations telegrams since you left, I thought it best leave you enjoy your all-too-short rest in peace. I will, however, prepare and send you before arrival in London telegram setting out position, as I see it, on all these and other matters. Meantime, I hope you will not worry, for you have hard work ahead.

HUGHES.

[Radio message received by the Prime Minister from Mr. Watt, s.s. *Konigin Luise*, dated Aden, 18th April.]

Cannot understand why you have not replied to my telegram April 9th. It is essential that I should receive, as you promised, prompt and full particulars concerning all communications between Imperial Government and you. Be good enough to inform me whether you intend do this.

WATT.

[Cablegram sent by the Prime Minister to Mr. Watt, s.s. *Konigin Luise*, Suez, on 21st April.]

Among documents supplied to you by Shepherd when leaving Australia were telegram from Secretary of State for the Colonies, February 19th and March 6th, re International Conference to study financial crisis. Before departure, you minuted Treasury file to the effect that if Conference held during your stay Britain, you would attend on the receipt of telegram from me.

Cable now received from Secretary-General, League Nations, through Secretary of State, dated April 17th, stating Conference will be held Brussels about end May. Countries invited to send delegates include all British Dominions. United States also invited to send representative or be associated with work of Conference. Australia invited send not more than three delegates conversant public finance and banking, as well as with general economic questions. Council of League will nominate President of Conference and supply necessary personnel for Secretariat. Exact date of meeting will be announced by Secretary-General. In order to facilitate preparations for Conference, Council suggest that Commonwealth Government forward to Secretary-General without delay any suggestions it may desire to submit to Conference for dealing with present financial difficulties, together with statement showing any action already taken to deal with situation. Proposed that general expenses in connexion with organization of Conference be met by League, and expenses and salaries of delegations by respective Governments.

Am advising League, through Secretary of State, that you will be Commonwealth Government's sole representative at Conference. Cable

me any action you think fit regarding submission to Secretary-General of suggestions referred to above.

HUGHES.

[Extract from cablegram received by the Prime Minister from Mr. Watt, s.s. *Konigin Luise*, dated Port Said, 26th April.]

Urgent. Thanks your telegrams April 8th, 21st, received Suez. Will await your telegram on Treaty matters. I disembark Naples next Saturday. You had better send it to High Commissioner, London. Please tell me same time if anything new re renewal Anglo-Japanese Treaty.

Will attend Finance Conference, Brussels. Do not think it advisable forward any suggestion to Secretary-General.

Glad to know things going well. Kindest regards, best wishes to you and brother Ministers.

WATT.

[Extract from cablegram sent by the Prime Minister to Mr. Watt, s.s. *Konigin Luise*, Naples, on 30th April.]

Suggest that you take full advantage opportunity see Continent now as in all probability you will not have chance later. Few days' delay reaching London should not cause any serious difficulty, and will give your health better chance.

Am sending cable London for you advising fully latest position re Brussels Financial Conference, Mandates, Anglo-Japanese Treaty, reopening of reparation question, &c.

HUGHES.

[Cablegram received by the Prime Minister from Mr. Watt, dated Naples, 2nd May.]

Thanks your telegram 30th April. Expect arrive London 11th. Please telegraph me result Immigration Conference. All well. Regards to colleagues and yourself.

WATT.

[Cablegram sent by the Prime Minister to Mr. Watt, London, on 4th May.]

As promised in my telegram to you at Naples, am giving you latest position following questions:—

Finance Conference, Brussels.—Secretary General, League Nations, telegraphed through Colonial Office, 22nd April, asking that answers be furnished not later than May 1st to series of questions relating to—

- (a) Budget and Estimates for present financial year, particularly as to direct and indirect taxes, levies on capital, loans, recurring and non-recurring expenditure, and debt service.
- (b) National debt December 31st, 1918 and 1919, viz.—Domestic funded and unfunded, and foreign.
- (c) Details of foreign trade.
- (d) Statistics re gold and silver holding, circulation of home currency issues and bank notes.
- (e) Laws, &c., regulating operations for foreign exchange.

Reply prepared by Treasury Department was sent yesterday, and Colonial Office has been asked to furnish you with copies of cables exchanged immediately you arrive London.

Mr. Hughes.

**Mandate.**—Only communication from British Government re Mandate since your departure is telegram from Secretary of State, March 18th, received here too late to catch you Fremantle, giving text of draft convention relating to mandate for German New Guinea and adjacent islands. Proposed provisions of mandate as therein set out are practically same, except in verbiage, as text shown on pages 2 and 3 of statement prepared for you by Shepherd headed "Mandates for former German Pacific Possessions," but the preamble is considerably amplified. Mandate not yet officially confirmed.

On April 30th, I sent personal cable to Lloyd George strongly protesting against delay in issue mandate. I pointed out that nearly twelve months have elapsed since Treaty was signed, providing in plain terms, not only for these mandates, but for conditions under which each class to be exercised; that mandates for South Pacific Islands are specifically mentioned as being in class over which mandatory has same power make laws as over own territory, and that it was definitely agreed when this clause in Treaty was being discussed that Australia was to have mandate and have it on these terms. I added that Supreme Council subsequently conferred this mandate upon Australia on these terms, and that attitude of Japan, who alone objects to giving effect to provisions of Treaty and commitments of Supreme Council, was as well known when Treaty signed as it can be now, and that Peace Conference decided against Japan. I insisted that Treaty must be given effect to, and urged that mandate be officially given to Australia without further delay.

**Anglo-Japanese Alliance.**—Sent cable Secretary of State, April 22nd, asking to be informed whether any negotiations or conversations had taken place re modification, termination, or extension of alliance, and stating Commonwealth Government desires opportunity discussing alliance, not only as it may affect questions now pending between Australia and Japan, but also as affecting general situation in Far East and, in particular, its bearing upon racial equality amendment of covenant. No reply yet received.

**Reparation and Indemnity Question.**—I sent personal telegram to Lloyd George, April 29th, stating it was reported in press that San Remo Conference of Allied Prime Ministers had decided re-open reparation question and contemplated reducing amount Germany has to pay under Treaty (a) by May, 1921, (b) subsequently. I stated I did not know what truth there was in these reports but wished, on behalf of Commonwealth, to protest most emphatically against any amendments of Treaty either affecting reparation or other important clauses, unless as result of duly summoned Conference at which Australia represented and that, in any case, Commonwealth could not agree to any reduction of amount of indemnity agreed upon in Versailles Treaty, this applying both to Germany's payment by May, 1921, and subsequently.

I emphasized that it was not competent or proper for any Conference of Prime Ministers

of Great Powers to modify major terms solemn Treaty agreed upon and signed by Powers at Versailles and subsequently ratified by Parliaments of signatories and that this applied whether decisions of such Conference subsequently submitted to other signatories of Versailles Treaty for approval or not.

I reminded Lloyd George that in the case of the Conference preceding Armistice in 1918 Dominions were notified and asked to approve what was done, when neither disapproval nor protest of any avail, and I expressed the opinion that unless Versailles Treaty to be a scrap of paper it could only be modified as provided for in Treaty itself or by same representative Conference that made the Treaty.

HUGHES.

[Cablegram sent by the Prime Minister to Mr. Watt, London, on 9th May, 1920.]

Congratulations safe arrival. Hope both well. Please do not see Chancellor or Secretary of State for Colonies re finance or wool until receipt cable from me. Have been very unwell.

HUGHES.

[Extract from cablegram sent by the Prime Minister to Mr. Watt, London, on 11th May, 1920.]

**Personal and Secret.—Finance: Wool.**—Mature reflection on financial position only confirm conclusion we both arrived at before your departure. Wool is key to solution. Very much depends upon way in which matter is put to British authorities. Am convinced that way we agreed upon is one to follow. Position is that Commonwealth Government owes British Government for war expenditure, say, £40,000,000. Britain is strongly pressing for payment of 8½ million pounds at once, and for assurances re balance. That is one side. Now for the other: British Government owes Commonwealth Government—not owes wool-growers, mark, but owes Commonwealth Government—half profits all civilian wool. What this amounts to we cannot ascertain, although we have pressed for information repeatedly, but in my opinion our share is not less than £40,000,000.

The position being thus stated suggests courses to be followed, and I know no one so well fitted to do so with complete success as you. You are Treasurer: You come home naturally very anxious to adjust our financial relations and being quite unable to understand reasons for Chancellor's attitude. You cannot understand why British authorities have not long ago adjusted accounts. While admitting complexity and magnitude wool transactions, you cannot accept explanation that it has been impossible to pay over to us what is ours or even to present statement of accounts. And as a step precedent to all discussion upon finance, settlement of our half profits on wool must be made.

Honorable members will understand that the above is what I am suggesting that Mr. Watt should say. Now I proceed

Resignation of REPRESENTATIVES.] Treasurer.

tell Mr. Watt of my conference with wool men in Sydney:—

As upon the satisfactory sale of the new wool clip depends to a very large extent our immediate future financial resources, and anticipating the failure of the Wool Committee's scheme, I called a conference of leading men in Sydney last week, and put before them, some facts relating to finance—Commonwealth and private—and the sale of the next clip. It was a small, but most representative, gathering. I put two schemes before them—one dealing with finance, the other relating to sale of new clip. I told them in strictest confidence of the purport of your mission, upon the success of which I said financial position of Commonwealth depended. I told them that the Commonwealth must have money. I explained effect the huge excess of exports over imports must inevitably have upon Australian business. Of course, British Government is not in any way concerned with all this. Under the agreement, Britain must divide profits with Commonwealth Government. What the Commonwealth does with these profits is between the growers and the Commonwealth Government, and has nothing at all to do with Britain. The great thing is for us to get them at once. That is your job.

Following is outline of my proposals laid before meeting of wool-growers in Sydney:—

"How great the accumulation of Australian money in England is, and is likely to be during next twelve months, can be gathered from the following figures:—

Estimated amount of money now lying in London on Australian account at short call	£40,000,000
Excess of exports over imports for twelve months ending June 30th, 1921, at present rate..	65,887,000
Australia's share of profits to accrue in London on wool to be sold (and here I make only a very rough guess) say	30,000,000
Total	£175,887,000

I interrupt this statement of my proposals to the meeting in Sydney to emphasize that I, underestimated that last-mentioned total by £10,000,000 deliberately in order to avoid exaggeration. My outlined proposition proceeds—

Increased value of Australian wool clip for season 1920-1921 compared with present appraised basis of value	40,000,000
Total	£175,887,000

Of this, there may be, say, £40,000,000 to be paid in England for interest on loan money, public and private.

It thus appears that the accumulation of money in London by June, 1921, will have amounted to £135,000,000 over the amount of exchange to be provided by imports of the same volume as at present.

Mr. Hughes.

It is necessary that I should mention that, side by side with this credit on private account, there is an indebtedness to the British Government by the Commonwealth Government which has not been funded, or in any way provided for, of some £40,000,000.

If Australian wool can be procured only in Australia, it will force British banks provide necessary credit, and ensure that sufficient buying power is centred in Australia to lift 1920-1921 clip at present world's parity ruling in London.

Further Government interference in the course of business is undesirable.

I want to help and not to interfere.

Will honorable members please understand that this is still the *précis* of my remarks to the Sydney Conference, as I transmitted them to Mr. Watt, in order that he might be fully informed of everything that took place. And I continue, addressing the Conference, as follows:—

I desire to suggest for your consideration a scheme which calls merely for a little co-operation between growers and others interested, and for some negotiations with the British Government. These negotiations I am prepared to undertake if required, as I feel sure that the action contemplated will be in the best interest, not only of Australian wool-growers, but of Australia generally. This scheme calls for no further legislative nor administrative action by the Government. The present Proclamations with regard to the export of wool would simply remain in force until November 1st next. The rest of the scheme depends merely upon agreement between growers and Australian brokers to defer opening sales in Australia for some six weeks or so, and negotiation with the British Government to induce it to suspend sales in London while 1920-1921 clip is being sold in Australia.

As I have told you, Government of Australia must raise at least £40,000,000. This money must be raised.

In the scheme suggested, I have provided machinery both for this and for payment to growers of their share of profits in Australia in the only way that seems to me to be a practicable one.

In accepting Australian bonds for their share of profits, wool-growers will not be making any real sacrifice. I fully appreciate that many graziers are having bad time with drought, and they have my deepest sympathy. I sincerely hope this trouble will soon pass away, but I say that, apart from the drought, wool-growers are in unique position. No other section of community will have anything like sum of £30,000,000 payable to it in London. No other section has before it possibility of realizing during next year even fraction of amount that wool-growers are likely to get for new wool clip if it is handled properly.

Whatever wool-growers as a body do voluntarily, they will not be called upon to do again in connexion with any call that may have to be made in same direction upon general community.

In order to refresh your memory, I refer you to original telegrams from Secretary of State for the Colonies, 14th November, 1916, which preceded wool agreement, and upon which agreement is founded. You will observe from that telegram, copy of which you have with you, that agreement was—

- (a) Result of negotiations by me when in Britain in 1916 (see third paragraph); and
- (b) that half profits are between the two Governments (see third last paragraph), viz.—“In the event of profit being realized from the sale of any surplus which might remain over after military requirements of British and Allied Armies have been satisfied, His Majesty's Government would propose, after payment of all expenses, to share such profit with the Governments of Australia and New Zealand.”

Hope you are quite well. I am still most unwell.

HUGHES,

[Extract from cablegram sent by the Prime Minister's Department to the High Commissioner for Australia, London (for Mr. Watt's information) on 12th May, 1920.]

Ballot wool control resulted rejection scheme. Favour 74.88 per cent.; against 25.12. Wool Council consider total votes polled not warrant proceed scheme. Prime Minister has submitted new scheme disposal next year's clip.

That is telling Mr. Watt again of this development.

[Cablegram received by the Prime Minister from Mr. Watt, dated London, 12th May, 1920.]

Thanks your telegram 9th May. All well here. Regret learn your indisposition. Hope you have now recovered. Cordial regards you and all Ministers. Can wait two or three days before seeing Secretary of State for the Colonies and Chancellor, but it will be very embarrassing to postpone longer.

WATT.

[Cablegram received by the Prime Minister from Mr. Watt, dated London, 13th May, 1920.]

Secret. Have just received your personal telegram of the 11th May.

Schemes outlined will have my early consideration, and I shall advise you my views tomorrow or Friday. Meantime I must say I am astonished that you should have expounded a scheme to outsiders, portion of which vitally affects my mission, without prior consultation with me. *Times* to-day publishes telegram from Sydney, dated 11th May, outlining whole (?) scheme which, it says, has caused consternation in wool circles, and this publicity is a gravely embarrassing fact. You must see

that it is impossible run business on these lines.

Hope you are better. My reception here all that could be desired. All well.

WATT.

[Extract from cablegram sent by the Prime Minister to Mr. Watt, London, on 14th May, 1920.]

Wool. Secretary of State for Colonies in telegram dated 11th May, in reply to mine 19th March, copy of which you have, states British Government hopes shortly after your arrival satisfy you that it has no respect departed from stipulations of wool purchase contract and is ready now as ever to agree to any arrangements proposed by us within terms of contract which can be shown to be practically possible. Secretary of State adds that it is not true that British Government has up to present had immediate use large profits on sales wool since Armistice, and says no cash surpluses had accrued up to two months ago. Minister of Munitions, he says, is ready to discuss with you time and manner of placing at our disposal proportion of share of such cash surpluses as now are beginning to result from sales wool.

That is my précis of the cable from the Secretary of State. My comment on it is—

This, of course, is not correct. I do not want any more trouble, but we must have the money, and at once.

HUGHES.

[Cablegram received by the Prime Minister from Mr. Watt, London, 16th May, 1920.]

Secret. In conversation with Secretary of State for Colonies yesterday, he politely introduced fact that he had not been officially advised that I would represent Australia in Imperial Cabinet. I have no complaint about the nature or manner of suggestion, but would be well if you would send me at once telegram that I can show him giving me Australian Government's full authority to sit in Imperial Cabinet. All well.

WATT.

I now come to two cablegrams—one to Mr. Watt and the other to the Secretary of State. Mr. Watt has made the complaint that the cable sent to him differed in form and substance from that which I forwarded to the Secretary of State. I do not think I am justified in laying the official cable to the Secretary of State on the table, but I may inform honorable members that the honorable member for Yarra (Mr. Tudor) and the honorable member for Franklin (Mr. McWilliams) have seen the two cablegrams. They, as well as all my colleagues in the Cabinet, have compared them, and I think I am authorized to say, on their behalf, that Mr. Watt's complaint is unfounded, and that, both in form and substance, the cable sent to him was identical with that

sent to the Secretary of State. Although I do not propose to lay the official cablegram to the Secretary of State on the table of the House, I shall be very glad to show it to honorable members privately. There is no reason why I should not do so, but, being an official cable to the Secretary of State, and marked "most secret," I cannot lay it on the table without his permission. It contains nothing that is not in the cable which I shall read. I give honorable members my assurance on this point, but, if they so desire, they may confirm my statement by perusing the official cable. The two messages were sent on the same day—

[Cablegram sent by the Prime Minister to Mr. Watt, London, dated 20th May, 1920.]

Secret. Wool Scheme. Your telegram 13th May re mine 11th May. First suggestion of scheme came from section of wool trade while you were on the water. I worked up whole thing, and subsequently, as already advised you, placed complete scheme privately before conference of leading men in Sydney on 27th April. You will recognise that, in the circumstances, it was impossible for me to have advised you earlier than I did, and but for the premature publication of scheme, the embarrassment of which you complain would not have resulted.

Wool-growers having summoned special conference to consider proposals, met me to-day in order to convey their views. After lengthy discussion, they adopted my proposals in regard to new clip, and authorized me to conduct negotiations with the British Government accordingly. I have, therefore, despatched to the Secretary of State for the Colonies the following telegram—

"Wool. Sale of 1920-21 clip. Conference of growers, after most careful consideration of whole question, have adopted following proposals for marketing new clip, and have asked me to request the co-operation of British Government in order to give effect to them:—

- (1) No export of new 1920-21 clip from Australia prior to 1st October, 1920.
- (2) No auction sales of Australian wool in London after 30th September, 1920, until 1st May, 1921.
- (3) Earliest notification of this to be given, so that buyers will know that Australian wool will be procurable only in Australia between the dates mentioned.
- (4) No auction sales of wool to be held in Australia until 1st October next. From this date on, Australian wool-brokers would auction 1920-21 clip on owners' account and proceed with the auctions without interruption up to 1st May, 1921, from which date onwards normal conditions could prevail, viz., British Government would resume

selling its left-over wool, and auctions could be held concurrently in Australia of any small quantity that might then be left of the 1920-21 clip.

I shall be glad to have assurance that His Majesty's Government will so arrange matters as to give effect to above proposals by suspending sales in Britain from 1st October, 1920, until 1st May, 1921. Matter is, of course, one of great urgency, and a very early reply is requested."

Referring to Mr. Watt, I stated—

I shall be glad if you will strongly support proposals and urge British Government to suspend its sales, in order that the scheme may be given effect to.

For your own information, I may say Conference was most representative one, and composed of representatives of all States of Commonwealth, and it was practically unanimous in its support of the scheme.

I have also informed Secretary of State that specially summoned joint conference of Australian Wool-growers Council and National Council of Wool Selling Brokers of Australia yesterday requested me to urge that a definite statement be made without delay as to the amount due to Commonwealth on behalf of the growers, in connexion with profits on wool sold for civilian purposes to date, and that this should be paid forthwith.

HUGHES.

[Cablegram sent by the Prime Minister to Mr. Watt, 21st May, 1920.]

Lloyd George has sent me cable, through Secretary of State, dated 12th May, stating British Government have been considering question of representation of Dominion interests in connexion with forthcoming meeting with German Government at Spa, which is now expected to take place towards end June. Primary purpose of Conference is to ask Germans for explanation of past infractions of Treaty, and make arrangements for its future. At the same time, a serious attempt will be made to fix Germany's liabilities under the head of reparation. Germans are almost certain to raise other questions, such as increase in military strength allowed by Peace Treaty. Lloyd George states British Government very anxious that, if possible, Governments of Dominions should appoint some plenipotentiary to attend meetings of a British Empire delegation to discuss these questions. British Government does not see any other way in which effective consultation can take place except to make use of the same machinery which existed during the war and Peace Conference, and which it was decided at one of later meetings of the Imperial War Cabinet to maintain in existence in case Dominions wished to avail themselves of it.

May I interpolate here that this is in reply to my earlier cable to the Prime Minister of Great Britain, protesting most emphatically against any alteration in the Treaty except by the same method as that by which it was made, namely, by consulting the Dominions, and in this

cablegram Mr. Lloyd George suggests a way by which the Dominions shall be consulted. My cablegram to Mr. Watt continued—

It is clearly impossible, Lloyd George contends, for the Allied Governments to refer all their decisions for confirmation of all signatures of Peace Treaty before they can come into effect, and in present unsettled and distressed state of Europe, delay in arriving at conclusions would bring about chaos. In opinion of British Government, therefore, only practical method is to reconstitute in some form British Empire delegation and that Dominions should accredit plenipotentiary in London to represent their views and watch over their interests during discussions.

Lloyd George asks whether I agree to this course, and adds that this should present no difficulty in view of your presence in England. I am informing him that I agree, and that you will be Australia's plenipotentiary.

Please obtain from Secretary of State full copy of Lloyd George's telegram.

Do not agree to any amendment of Treaty affecting Australia, either indemnity, islands, economic or financial clauses, without consulting me.

HUGHES.

[Cablegram sent by the Prime Minister to Mr. Watt, London, 21st May, 1920.]

Your telegram May 16th. Have to-day sent Secretary of State for the Colonies telegram stating that during your stay England you will act as representative of Commonwealth Government on Imperial Cabinet.

HUGHES.

[Cablegram received by the Prime Minister from Mr. Watt, dated London, 21st May, 1920.]

With reference to telegram May 15th from Secretary of State for Colonies to Governor-General re Brussels Conference, I am in communication with Secretary of State in regard to matter raised, and I will supply him with the information asked for.

WATT.

[Cablegram received by the Prime Minister from Mr. W. A. Watt, dated London, 21st May, 1920.]

Secret. Prime Minister unwell—

That is the British Prime Minister—

absent from London. Expect to see him next week. Have seen many other Ministers, including Chamberlain, Milner, and Inverforth. Reception quite satisfactory everywhere.

Re wool. Have been waiting reply my telegram, and have therefore not attempted answer yours re new scheme—

I wish honorable members to notice that point, because my cables re wool had reached them long before that—

That part of scheme which deals with next clip only interesting to Government authorities here in so far as it proposes postponement of sales old stock for portion of 1921. I see difficulty in long postponement you suggest, but believe from conversations with Inverforth and Goldfinch that we will be able to make reasonable arrangements. Can pursue this later when matter ripens.

Whether your new scheme adopted or not I see no real objection in the Commonwealth using whole or portion interim dividend and paying Australian growers in the special bonds if you can persuade growers. Such bonds would necessarily be non-negotiable for certain period, otherwise war gratuity holders would object.

Have had long, interesting conversation Inverforth, Goldfinch. Observed some irritation arising out of your recent remarks, which I succeeded in allaying.

Following are figures of profits tentatively given by Goldfinch. You must treat them as strictly confidential for the present. I promised this.

Here followed the figures, which are strictly confidential—

We agreed, in the public interest, that we were not at liberty to disclose the figures, because they had been given as confidential—

Generally I am well satisfied with result negotiations. Are you?

WATT.

[Extract from cablegram received by the Prime Minister from Mr. Watt, dated London, 21st May, 1920.]

Re Governor-General. Secretary of State has asked me to discuss question successor with him next week. What views do you wish expressed?

WATT.

[Extract from cablegram received by the Prime Minister from Mr. Watt, dated London, 21st May, 1920.]

Re Brussels Conference. Date not yet fixed; expect open about middle June.

WATT.

[Extract from cablegram received by the Prime Minister from Mr. Watt, dated London, 21st May, 1920.]

Following for Cook. Re finance. Have discussed situation with Chancellor of Exchequer, Nivison, and bankers.

If I succeed getting eight and three-quarter millions from wool July 1st, I hope persuade Chamberlain to accept half of that sum in lieu of eight and three-quarter millions he is pressing for. That would leave nearly four and a half millions for temporary use by Treasury, and would carry us on for one and a half months. Of course, whether I adopt some such expedient, or actually raise money on the market here, our great difficulty is to shift the money from London to Australia. Am specially considering this problem, and hope to acquaint you with my proposals next week. Hope you are better. Regards to all. All well.

WATT.

That is a very important cable. It shows, along with the other cables, that the ex-Treasurer was quite in favour of bonds, that he was not opposed to the new scheme for selling the wool clip, that he thought, although we could not get all we asked for, he could come to some reasonable arrangement, and that he intended to take £8,750,000, paying £4,500,000 to the

Chancellor of the Exchequer in part payment of the debt we owe, while keeping the remainder for us. Then he recognised the great difficulty of getting the money from London to Australia, and that, as I said in that long statement I made, is one of the great problems that confronts us.

[Extract from cablegram sent by the Prime Minister's Department to Mr. Watt, 25th May, 1920.]

Growers and brokers accepted Prime Minister's plan control and sale wool.

Growers and exporters meet conferred Prime Minister Thursday re meat contract.

SHEPHERD.

Now we come to the cables that led up to the ex-Treasurer's resignation—

[Cablegram received by the Prime Minister from Mr. Watt, dated London, 27th May, 1920.]

Urgent. I have received your telegram dated May 20th re wool, and May 21st re Spa Conference.

The wool telegram surprised me beyond measure, and has made my position here quite impossible. Let me refresh your mind by recital of essential facts.

I undertook this mission very reluctantly, and only in response to strong pressure of unanimous Cabinet. Its objectives were announced by you in Parliament, and included, *inter alia*, the whole problem of past wool sales, profits, and dividends. On solution this problem, as your own telegrams declare, depends the satisfactory arrangement of our huge and pressing financial difficulties. While I was on the water you discussed this and intimately related and important questions of finance with number of men outside Government, and developed scheme without my knowledge.

Embarrassment of such procedure is obvious, and this was intensified by premature disclosure in Australian and British press. Although I was aware that my influence here was distinctly prejudiced by such methods, and press controversy that supervened, I pushed on with my investigations and negotiations, as indicated in my telegram May 21st, and had made considerable headway. Then followed your telegram of May 20th, which reached me after despatch of mine of May 21st. In former you give what purports to be your telegram to Secretary of State, formally outlining your new wool scheme. In passing let me say that telegram received by Secretary of State, copy of which had been handed to me, was not the same in form or manner of presentation as your advices indicate.

That point has been quite definitely settled by the honorable members who acted with me on the Committee and all my colleagues.

When latter was forwarded by Secretary of State to Minister of Munitions, I received from him the polite but clear intimation that British Wool Administration could not conduct discussion with me in person and with you by wire. That situation was inevitable, and ought to have been foreseen and prevented,

*Mr. Hughes.*

and certainly not created by you. I do not blame the Wool Administration here. I think in circumstances their attitude is natural, and merely reflects business prudence. That closed the door in my face, and I shall not in present conditions attempt to re-open it.

In passing to other matters, I ought to say that had I imagined that you would attempt to complicate my task by framing new scheme and demands without reference to me, I would never have left Australia.

Now re Governor-General. I was placed in most invidious position yesterday. As indicated in my telegram of May 21st, Secretary of State thought it advisable to discuss with me question of successor in tentative way, and for his guidance in further considering matter. He completely surprised me by reading your wires and his replies of last week, of which I was entirely ignorant. In this connexion I direct your attention to my cable of April 18th.

Such happenings, on top of your omission to advise British Government in any way of my representation of Australia in the Imperial Cabinet until I wired for it, has made the position for me untenable. I am, of course, appreciative of your nomination of me as Australia's plenipotentiary in Empire Delegation preliminary to approaching Spa Conference, but your concluding paragraph shows you do not propose that I should act as plenipotentiary, but merely as channel of communication between British Ministers and yourself. As I read Lloyd George's telegram, he seeks prompt decisions on vital issues, and it would be incongruous for me to wear the garb of a plenipotentiary and the mind of a telegraph messenger.

I do not know whether Cabinet or you is responsible for the situation which I have described, but I am determined that it cannot longer continue. I have therefore decided to proceed no further with work of mission until my position is defined. If you want me to do good work here, you must leave matters confided to my care entirely in my hands, and trust my judgment as to whether I should consult you or decide them here.

You must also request Secretary of State to send me copies of all cable correspondence both ways about other matters. If you are not prepared to do this, kindly say so at once, and I will take course I think necessary and proper.

WATT.

[Extract from cablegram sent by the Prime Minister to Mr. Watt, 28th May, 1920.]

Finance Conference, Brussels. Your telegram 21st May. I am formally advising Secretary of State that you will furnish information required by Secretary-General League Nations.

HUGHES.

That was sent before I had received the ex-Treasurer's cable, as also was the following:

[Extract from cablegram sent by the Prime Minister to Mr. Watt, London, 29th May, 1920.]

Most secret. Your telegram 21st May, regret delay in replying which is due to Premiers Conference and arrival of Prince of Wales.

Re wool. Estimate of our half-share tallies with my own estimate, but I am inclined to think if market does not break we should do even better. Quite understand Inverforth's and Goldfinch's attitude. Until question got into press and you were on spot to insist upon payment they would do nothing; now they profess willingness to meet us.

Re new clip arrangements. You will see by my wire which crossed yours that growers have adopted it. Please support strongly.

Re financial side half profits. I postponed further consideration this until we know definitely what Australia's share was. As soon as you are in position to give me this information, I will call growers together and endeavour arrange for them to accept our bonds. Most important that no hint be given press at either end before I meet growers to discuss this point. As to carry-over, I think Director's estimate exaggerated. Quite agree that, subject to growers' acceptance of bonds, results your negotiations satisfactory.

Re Brussels Conference. Please see my telegram May 28th.

Re Spa Conference. I have already dealt with this. Please do not forget that (1) we have ear-marked indemnity payable next May, and must have money, and (2) re ships, that at Versailles Conference I claimed 300,000 tons, which is about twice as much as tonnage of twenty-two enemy ships we already have. Stand fast on this.

Re Governor-General. I suggest you leave this matter for Secretary of State to discuss direct with me. I shall, of course, keep you fully posted on negotiations.

Re finance. Cook has your telegram, and will furnish reply. I have also noted it very carefully. I quite agree with you we must have money, but if we can come to a satisfactory arrangement with wool-growers, our position ought to be materially improved. Please keep me posted up to date. The necessity for your visit to London is more than ever obvious.

Greene laid up these last three weeks; will not be available for another month. Groom also ill for some time. Am a little better, but not fit.

You are doing splendidly. Kindest regards from self and colleagues.

HUGHES.

Now I come to the reply which I sent to the ex-Treasurer's cable on the 2nd June, 1920—

Secret. Your telegram 27th May. Special Cabinet called to consider: all members present except Greene, who is ill. I read your telegram, as well as all other telegrams that had passed between us since your departure. The whole position was reviewed most carefully and discussed at great length. Your colleagues are unanimous in being 'unable' to understand your point of view, and all regret the tone of your cable. Personally, I was most seriously disturbed by it, and I think that upon reflection and careful review of the whole of the facts you will see that I have reason to be so. I am perhaps better able to appreciate than other members of the Cabinet just how highly-strung men, like you and I are, feel in the most difficult environment in the world—London charged with a high and important mission, and I put myself in your

place, and so, while I do not think your cable was justified, I can nevertheless understand it. Let me, however, deal with the complaints in your cable. You say—

- (a) that you have not received full information on points relating to your mission;
- (b) that, owing to action at this end by me, your mission has been hampered;
- (c) that your authority at the Spa Conference, while nominally that of a plenipotentiary, is really that of a telegraph messenger;
- (d) that you were kept in entire ignorance of cables exchanged re appointment of Governor-General;
- (e) that formal notification that you were to act as Government representative on Imperial Cabinet was not given at the proper time;
- (f) that you were not supplied with copies of all cables.

These, I think, are the principal complaints. I will take them in order.

Let me remind you, first of all, how your mission to England originated. As Treasurer, you made a most important statement to Cabinet dealing with finance, and stated that your mature opinion was that the position was such that a Minister ought to go oversea forthwith to deal with the matter, which could not be settled from this end. Your colleagues entirely concurred. You suggested Millen should go. I thought, as the matter related to finance, and so fell peculiarly within your province, and you were in every respect best fitted to deal with it, that you should go. This you consented to do, at the request of myself and your colleagues, who all agreed you were the best man to go.

In your statement on finance made to Cabinet, the question of wool was not mentioned by you; it was brought up by me later at the same or at a subsequent Cabinet. Being much impressed with the gravity of the financial position of the Commonwealth as set out by you, I ventured the opinion that our half-share of the profits was so considerable that, if we could obtain it, it would materially help us. It was then agreed that you should, when in London, not only deal with finance generally, but that you should also endeavour to get a statement of accounts and payment of the half profits. Then it was decided you should endeavour to organize immigration. I was to persuade the States at this end to agree, but, if this were not possible, then, as I stated at Bendigo, Commonwealth would act independently. That was the third point of your mission. Then you were asked to look into and re-organize Australia House. You were also to press upon the British Government the necessity for immediate confirmation of the Mandate, and to insure payment of the indemnity in May, 1921. These were the main heads of your mission. Primarily it was one relating to finance: if it had not been for that and your statements in regard to it, no Minister would have gone to London.

You say I have interfered with you and embarrassed you. Cabinet has looked most carefully through all the cables which have passed between you and me, and into those between

British authorities and Commonwealth since your departure, and has considered my actions here in all their bearings, and, as I have said, they do not think your complaints justified.

Before dealing with your complaints in detail, let me remind you that, long before you reached London, and before I had even thought of discussing anything with the pastoralists here, you sent a telegram from Colombo, dated 9th April, in which you said you were disappointed I had not sent latest confidential information with reference to Peace Treaty, League of Nations, and Mandates. You stated that, unless you received advice as to developments these questions, it would not be possible for you to effect anything, and that you would not attempt the task. I regarded the peremptory tone of your cable as an indication that you had not received some of the telegrams that had been sent, that you were still far from well and suffering from strain of overwork. As I told you subsequently in my wire of 16th April; I had no further information in regard to Mandates, Treaty, and League of Nations since you left, but would prepare and send you before arrival in London full statement on these and other matters. And this I did, as you know.

Now let me deal with your complaints in detail. First as to wool. You complain that I met the growers and discussed certain matters with them while you were on the water. I certainly did, and it was imperative that I should do so. Time was the essence of the contract. I saw them on two matters, neither of which permitted of delay. One related to a matter outside your mission entirely—I mean the sale of the new clip. That had to be settled at once, for, clearly, delay in a matter that had to be determined in a few weeks was, on the face of it, impossible. You can hardly say that this embarrassed your mission in any way. The second point I discussed dealt with the half profits due to growers, about which they had had no information, and about which they were much concerned. This had relation to your mission, but, so far from embarrassing you, the discussion and subsequent action could only have the very opposite effect, because, although technically the half share of profits belongs to the Commonwealth Government, we are only trustees for the growers, to whom the money belongs and to whom, in default of an agreement, it must be handed over. As your mission to London was primarily to raise money which would be available for the Commonwealth to pay Commonwealth debts, it would not help us in any way if the half share of the profits were paid to the growers and retained by them. And, of course, deliberately withholding the money from the growers by compulsion was out of the question. There was, and is, no way of obtaining it except by arrangement with the growers. All this needs no argument. If you got the whole of the 40 millions which we estimated is due to the growers in London to-morrow, how would it help the Commonwealth if we had to hand it over immediately to the growers? The consent of the grower to such an arrangement which would enable the Commonwealth to have the use of that money in London was essential to the success of your mission. You could not negotiate with the grower, who was here,

Negotiations had to be carried on here, which I did. I remind you I did it on the suggestion of a section of the industry itself. So much for that.

As I told you, the pastoralists have agreed to my proposals re the sale of the clip, and I hope and believe they will agree to the bonds, thus leaving you able to adjust Commonwealth finances with the Chancellor. You speak about obtaining the 8½ millions, paying 4½ millions to Chancellor, and making balance available to our Treasury. May I remind you that, without growers' consent, you cannot retain a farthing of this 8½ millions?

Now I come to another point. You say I have been communicating with the British authorities by wire, in regard to payment of half profits and wool clip, while you were on your way to and in London. That is quite true. As to my telegrams re sale of next clip, you recognise that is outside your mission, although I asked you before, and do so again now, to support it with British Government. As to wires re payment of half profits, I sent those while you were en route, in order to prepare the way for you. I am sorry if you think I ought to have left you without any support from this end in a matter which concerns us so vitally, but I think you will find, quite apart from this, the real objection from Inverforth and Company is not the cables I have sent, but the press reports, which have obtained such wide publicity, of the debates in House of Representatives on motion of adjournment by Rodgers, and a grossly inaccurate statement in the press by Inverforth himself, to which I was compelled to reply. However, I quite see your point and shall not send any further wires in reference to payment of half profits except to you.

You say, further, that I ought not to have entered into any negotiations with growers while you were on the water. I do not agree with you. Let me remind you what you did while I was on the water. While I, as Prime Minister of the Commonwealth, accompanied by Minister for Navy, was on my way to England, you entered into negotiations with British Government for an extension of wool contract and sold the wool for the war and one year thereafter. Not only did you not consult me, but you did not even notify me when you had completed the negotiations. I learned of it only through the press, and subsequently from Secretary of State. So much for that.

I would remind honorable members that this is a matter which I originated, it was in my Department, and those who recommended Mr. Watt to sell it knew that if I had been here I would never have agreed to extend the agreement for longer than the period of the war. Yet I was not even notified of the transaction when completed, let alone consulted, although this could easily have been done.

You complain that I communicated with British authorities. Let me remind you of your own practice while I acted as representative of Australia in London. I could mention many cases in which you did this on matters

relating to my mission, but one will suffice. In November, 1918, you advised Secretary of State of Government's approval of principles of clearing scheme of settlement of pre-war debts, merely notifying me of the action taken. This was clearly a matter on which I might have been consulted at all events.

For months, you communicated on many matters with the Secretary of State direct, without notifying me at all. I only learned of them from the Secretary of State himself and was thus frequently placed in a most embarrassing position in my discussions with him. It was not until I asked the Prime Minister that copies of all cables from and to Australia should be shown to me after arrival and despatch that I was kept reasonably well informed of what was being done. I have only to add that, on 11th May, I sent you a cable setting out in the fullest detail, both in relation to sale and finance, the proposals I had put before the wool-growers.

I must say that your statement that I sent you a cable which differed in form and substance from that sent Secretary of State on same matter is absolutely amazing. The whole of members of Cabinet had opportunity of comparing them, and all agree that for all practical purposes they are identical in form and precisely the same in substance. So much for that.

*Re Representation at Spa Conference.*—You complain that, while nominally given the powers of a plenipotentiary, you are so restricted by instructions from here that you are in effect only a telegraph messenger. Surely, if you will cast your mind back to the time when you were Acting Prime Minister and I was in London, you will see the position of which you complain is one in which I myself was placed. I was never given a free hand, but was compelled to act on definite instructions from Melbourne. Not once, but on many occasions, you told me in plain terms that I must not commit the Government; that I must not act in a certain way. For example, in November, 1918, you told me that I must not press for representation of Dominions, as such, either at Versailles Council or Peace Conference, that it was not reasonable and could not be supported by Cabinet. You said—

"We feel we are not justified in letting you go straight ahead on the course you have marked out without saying even more plainly than in my previous cables what our opinions are. I personally earnestly trust that you will give due weight to them, and advise me result."

Then, again, in regard to sale of wheat, which was one of the matters specifically intrusted to me, I was placed in a most invidious and unfortunate position by being hampered continuously by contradictory instructions from Melbourne, which compelled me to perform a *voile face* with British Government and Royal Wheat Commission. Again, in connexion with appointment of a Naval Member and Commodore, after having made arrangements with Halsey and guaranteeing a certain salary, Cook was compelled to cancel the appointment. There was also the question of Nauru. When I strongly urged that we should stand firm and resist attempt

of British Government to compel us to share this with Britain, I was told Cabinet did not agree, and I had to withdraw from a position I could have maintained to the lasting advantage of Australia. Then, again, in connexion with sale of Austral ships, in March and May, 1919, you said proper procedure was to obtain definite authority from Cabinet, and that I should carefully observe this rule. Then, in May, 1918, *re* finance, you said I must do nothing involving finance on large scale without consulting you.

I could multiply these instances *ad lib.*, but these are sufficient. They amply demonstrate that the opinion of the Government was then, and is now, that it is impossible to give an absolutely free hand to representatives overseas, and that the Government is, and must remain, in Melbourne. You will not forget this rule applied even when I, as Prime Minister, along with Ministers for Navy and Defence, was in London, and Cook and I were, in widest sense of term, plenipotentiaries.

Having said so much, let me say this further to you: I am merely following the rule which you yourself so strongly insisted upon. You will admit, I think, that the rule is a sound one. It certainly applies to Lloyd George himself; it applied to him right through Peace Conference. On several occasions he found himself overruled by his colleagues. It happened to Orlando and Clemenceau. Wilson was in a different position, but what is the result? His Parliament refuses to indorse what he did. I want to say, however, that I know how embarrassing and irritating the application of this rule must be. I felt it so a hundred times, and had I said exactly what I felt I should no doubt have sent you many telegrams which would not have differed much from yours. So, speaking from the depth of my experience, I quite understand your attitude, but hope that you will look at the matter as I did, and do the best you can. Believe me, I shall not embarrass you, but will do everything to help you and keep you informed. I shall not communicate direct with Secretary of State *re* wool half profits or finance, excepting at your request. In regard to Spa Conference, the only restrictions upon your freedom of action are in relation to those matters upon which overwhelming bulk of Australians have fixed opinions.

Further, I put it to you, as one man to another; that as Prime Minister I may fairly claim to be consulted before any variation is made in Peace Treaty with which I had so much to do, and with the details of which you cannot be as familiar as I am myself. Reference to cable files shows that in every stage of the Peace discussions, I acted in fullest concert with the Cabinet, and took no important step without first obtaining their views.

*Re appointment of Governor-General.*—Your colleagues are unanimously of opinion that it is clearly a matter that can be settled only by Government in Australia. I think on reflection you will agree it was not mentioned in your mission, and is obviously a matter that must be settled by Government.

*Re failure to notify your appointment as representative on Imperial Cabinet.*—As it was

not contemplated when you departed that formal meetings of Imperial Cabinet would take place, official notification of your authority to sit did not precede your arrival. This I regret, but could not foresee the circumstances. I regret if you have been embarrassed, but I think I have put this matter in order, and you will have no further complaints. All I ask is that you will keep me posted on what is done.

As requested, I am asking Secretary of State to supply you with copies of all cables both ways. I was under the impression that this had already been done, but find it was limited, through an office misconception, to cables relating to Brussels Conference.

I need hardly say that this telegram has been read to, and unanimously approved by, all your colleagues at Cabinet to-day.

Now for a final word. I have endeavoured to cover the points raised in your cable, and put matter quite clearly. I understand, I think, just how you feel, and I want to assure you that you have no reason whatever for the belief that anything is being done, or will be done, at this end to impede your mission. On the other hand, everything will be done, whether by silence or action at your request, to further it. We want you to succeed. We both have the same object in view, viz., the welfare of Australia. I want to do everything I can to help or support you; if it appears to you otherwise, I ask you to accept my assurance that you are absolutely mistaken.

HUGHES.

[Cablegram from the Prime Minister to Mr. Watt, dated 4th June, 1920.]

Following are details relating more important proposals placed by me before Premiers' Conference:-

(1) Immigration.—My proposals were Commonwealth to have full control overseas Agents-General to form Consultative Committee. Commonwealth to be financially and otherwise responsible for overseas organizations and transport arrangements for bringing immigrants to Australia. Primary object settlement on land. Preference British ex-service men. States to be responsible for immigrants on arrival Australia. Agreement to be entered into definitely defining respective responsibilities Commonwealth and States regarding provision land and other assistance. Shipping question vital. Murray waters scheme and uniform gauge important factors in providing employment. Commonwealth and States to co-operate as to number immigrants that can be absorbed and classes required. Commonwealth to consider question assisting States by way of loans for approved land settlement and public works. Conference approved outline scheme and Premiers undertook submit proposals their respective Cabinets.

(2) Uniform Gauge.—I urged action be immediately commenced to connect State capitals from Brisbane to Perth with 4-ft. 8½ in. gauge. Mainland States to contribute cost on per capita basis. Commonwealth to contribute quota. Work to be placed under Commission consisting one Commonwealth two States Commissioners. Commonwealth to make arrangements for raising money by non-negotiable bonds for fixed periods. States to pay

interest on their respective quotas and to redeem bonds at maturity. Conference inquired what proportionate amount Commonwealth would contribute (a) on main lines between capitals; (b) for general conversion. I pointed out impossible fix Commonwealth contribution as cost not known. Said Commonwealth would pay definite proportion. If States, for instance, said one-sixth fair thing, Commonwealth would be satisfied. Following agreement was reached:-

- (a) Affirm necessity and urgency of uniform gauge to connect State capitals, including conversion of Victorian system.
- (b) Affirm principle of allocation of cost.
- (c) Affirm principle of appointment of Commission—working in co-operation with Railway Commissioners in States.
- (d) Railway experts to meet and submit report re cost, &c., before 26th June.
- (e) To be subject to approval of respective State Governments.
- (f) To be further discussed on 26th June, and an interim report to be presented.

(3) Murray Waters.—Work to be greatly expedited. Commonwealth's liability increased from £1,000,000 to one-fourth total cost. Scope, powers Commission to be greatly widened. Power be given to Commission resume all land affected by scheme at any time during progress scheme, and five years thereafter, at present value plus 10 per cent. Scheme be utilized providing employment immigrants. First preference Australian soldiers. Commonwealth and States to pass necessary legislation for increased expenditure and otherwise giving effect scheme. Conference adopted report of a sub-Committee which substantially agreed with our proposals.

(4) Aviation.—To be regulated by Commonwealth legislation, not by individual States. Conference agreed introduce State legislation referring necessary powers to Commonwealth, but so as to retain to each State (a) right to own and/or use State aircraft for Government purposes within State; (b) police powers. Conference also agreed introduce State legislation providing uniform action by States pending passage of Federal legislation.

(5) Industrial Legislation.—Suggested States refer to Commonwealth Parliament powers for following purposes:—(a) Establishment Commonwealth Industrial Court with roster of Commonwealth and State Judges; (b) to give Court jurisdiction over disputes which extend to more than one State and which, while confined one State, affect whole community; (c) creation Industrial Boards whose functions shall extend over same parts of industrial field; (d) creation Industrial Councils representative employers and employees, to bring about agreement as to industrial conditions, including General Industrial Council for whole Commonwealth; (e) provision for collective bargaining by industrial agreements binding both parties; (f) prevention strikes, at least until after procedure which insures that strike is deliberate will of majority after every effort at settlement exhausted; (g) giving effect basic wage; (h) enabling common rule be estab-

Mr. Hughes.

lished in an industry. Agreement was found to be impossible all sorts of objections raised, and I said that we would act as we thought fit and remit to people.

(6) Finance.—In relation (a) borrowing; (b) collection, taxation; (c) *per capita* payments. Proposed Commonwealth sole borrower. Suggested one tax-gatherer for land and income taxes Commonwealth and States, failing which one common return of assessment for Commonwealth and State Taxation. Asked States to adjust their finances upon assumption that *per capita* payment will be reduced as set out by Mr. Watt at last year's Conference.

Following agreement was reached in regard to borrowing:—

- (a) Affirm the principle of agreement regarding borrowing, making the Commonwealth the sole borrowing authority. An agreement based on the principles of the previous agreement to be prepared. Details to be settled later.
- (b) Commonwealth Treasurer to submit definite proposals.
- (c) State Treasurers to prepare memoranda of loan requirements for three (3) years.
- (d) Commonwealth and State representatives to meet at an early date to settle details and confirm this arrangement.

(e) To be further discussed on 26th June. Question collection taxation to be further discussed 26th June.

HUGHES.

[Cablegram from the Prime Minister to Mr. Watt, on 5th June, 1920.]

See telegrams 15th and 21st May from Secretary of State re division of enemy tonnage among Allies. Have informed him you will represent Commonwealth at discussion with Shipping Controller, on 8th June, as to division of British Empire share, and that you may desire attendance Larkin and Captain Thring in advisory capacity.

Please insist, as I did, upon retention of ex-enemy ships at present under Commonwealth control as matter beyond argument, and strongly urge for others up to total of at least 300,000 tons deadweight capacity, emphasizing in support of claim serious loss sustained by Commonwealth by diminution shipping facilities enjoyed prior to war, Commonwealth's dependence on such facilities, and urgent need for supplementing tonnage at present available both for oversea and local requirements.

Re financial side of question, please take up same position as I did re ex-enemy ships now in Commonwealth hands and captured by us, namely, that as regards these we do not admit that our share of indemnity should be debited with value of these vessels, any more than has been the case with those seized and retained by the United States of America and Brazil.

As to balance of 300,000 tons which we claim, please insist that sum to be paid or debited should be based on pre-war value and not on present market value.

As you know, I made strong claim for 300,000 tons at Versailles Conference. In pressing this on Lloyd George in letter dated 7th March, 1919, I pointed out that Commonwealth Government Line was then operating nineteen ex-enemy ships, of total tonnage of about 134,000, and had previously been operating nine others of total tonnage of about 56,000, but of latter five had been submarine, one wrecked, two taken over by Indian Government, and one employed carrying mails north-west coast Australia; that many of these ships had been specially built for, and had at outbreak of war been engaged in, Australian trade, and that to bring total tonnage ex-enemy ships in Australian trade up to 300,000, although it would in some measure relieve great hardships suffered by Australian producers during war and at present as consequences of loss of tonnage and diversion of ships to other trade, would still leave us far short of our pre-war tonnage. I stressed industrial and economic disadvantages to Australia under war conditions resulting from her geographical position, also huge sacrifices made by her in voluntarily surrendering to Great Britain fifty-three coastal steamers, of gross tonnage of nearly 200,000 tons, and depriving herself of seventy-nine other steamers, of gross tonnage of nearly 400,000 tons, which she requisitioned and handed over to Britain. I reminded him that Australia was an island continent with 12,000 miles of coastline, relying on sea-carriage for bulk of her Inter-State trade, and whole of her trade with other countries. I compared serious decline in Australia's exports and imports during war period with great increases in case of other countries, particularly Canada and United States; and I drew attention to disastrous effects on prices of raw materials, on marketing of which Australia lives. Finally, I pointed out that war necessities which had been held to justify this treatment of Australian trade no longer operated, and that every consideration of justice required its immediate alleviation.

In subsequent letter to Lloyd George, dated 12th March, 1919, I again directed attention to urgency of Australia's needs. Owing to lack of shipping, millions of tons of wheat, food products, and other raw materials, were lying in Australia awaiting shipment. The world was hungry for this food. It had also been said that Europe must be fed and clad. If so, it is surely necessary to safeguard Australian interests and not to permit America and Japan obtain at once carrying trade and market for goods produced outside Empire. Ex-German shipping belongs by every right to Empire for this purpose. To pay America, or any other country, with Germany's very best asset, at expense of all her other creditors, leaving Australia without ships to send her goods to world's markets, would be to inflict great, perhaps irreparable, injury upon Australia and Empire.

HUGHES.

[Cablegram received by the Prime Minister from Mr. Watt, dated London, 7th June, 1920.]

(Received 8th June, 1920.)

Urgent. Your telegram 3rd June. Fully appreciate spirit of the consideration it expresses to me personally; but I ought to add that your implied diagnosis of nerves is wrong. I am quite well.

Now, let me traverse your telegram. First, I do not think that representations of views by absent Minister to his leader and colleague should be labelled complaints; but I pass that by.

Second, as to the origin and heads of mission. I do not quarrel with your statement of them, except that it is incomplete, unless you draw inference that wool accounts and dividends are secondary importance, because I did not deal with them in my first statement on finance in Cabinet. I did not then know how far you had advanced matters by your cables, and I only dealt with revenue and loan moneys from Treasury stand-point. At later stages of the debate, it became clear that wool moneys was the pivot of our whole scheme concerning our British indebtedness and prospective early loan operations here or in Australia.

Third, you speak of a peremptory telegram dated 9th April, apparently overlooking telegram of 31st March, appealing for news from Australia, and respecting subjects of mission from England, to which you did not favour me with reply.

I did. However, that is by the way.

Fourth, as to my treatment of you when you were absent from Australia. Here you have advantage over me, for I have not all the cables of that period with me. However, after perusing few I have, and reviving my memory, I have no hesitation in saying that your statement totally, although probably unintentionally, misrepresents real facts.

(a) You asked me to send you copies all telegrams exchanged with Secretary of State. I explained that, to save expense, you ought to get them from the Secretary of State. This you said you would do. So that you knew all that was going on. I do not, therefore, understand your assertion that I communicated for months with Secretary of State without notifying you.

For six months I never saw a cablegram except those from this end to the British authorities, which were shown to me by the Secretary of State.

(b) It is true wool was sold, without consulting you, after careful consideration by Central Wool Committee, and with full previous authority of the Cabinet. You have not informed me whether the same procedure *re* Committee and Cabinet has been followed in the present case.

This matter, the sale of the new clips, had nothing whatever to do with the Central Wool Committee. As regards the half profits, the Committee has had two years in which to get the money, and has not succeeded. It was time, some one

got some of it. I have tried to do so. Because the Central Wool Committee failed to get the money, the Treasurer went Home to get it.

(c) Pre-war debts clearing scheme was authorized by Cabinet, on advice of Minister of Customs.

As to that I say nothing except that it is not an answer to what I said in my cable. I was never committed on the matter which was a vital part of my mission.

(d) Wheat was controlled by Russell, who always submitted question to Cabinet.

(e) Naval Member was similarly dealt with by Poynton. For confirmation of last three points, ask the three Ministers named, and when you have done so, kindly lift blame from my shoulders.

He blames Cabinet in order to exonerate himself: but he does not deny that the facts are as stated.

(f) It is quite true that, as Treasurer, I prudently requested you not to undertake anything involving large sums without consulting me, and you at once agreed.

(g) I also asked you to observe proper procedure about selling ships, for none of your Ministers considered that within scope of your Peace mission.

(h) Your reference to Nauru astounded me. My recollection is that we sent you, for presentation to Imperial Cabinet, strongest telegrams of support.

I have shown the honorable member for Franklin (Mr. McWilliams) and the Leader of the Opposition (Mr. Tudor) my Nauru telegram, in which I advised a certain course of action. It is a long story; but I say deliberately that, had I been supported, Australia would have been in a very much better position in regard to Nauru. If these gentlemen who have seen the cablegram say that the Treasurer's reply to me supported my attitude, I have nothing further to add.

(i) Generally, while you were away, with exception of one brief period, all my telegrams either asked for information or gave you solid backing, the latter mostly in response to your special requests.

(j) The exception was the armistice break, and if you will re-read my telegrams now, I feel sure that your judgment, mellowed by time, will approve their tone and terms.

That is where I am told that I must not ask for the representation of the Commonwealth of Australia at the Peace Conference at Versailles.

(k) To say you were compelled to act on definite instructions from Melbourne is—to put it mildly—joking with facts. You properly acted throughout as a plenipotentiary, and most of principles of the Peace Treaty, you

agreed to or decided, including reparation, practically without one word of information to, or approval from, your Cabinet. I say "properly," because that was the job you were sent to look after. Notwithstanding all this, which I would not have referred to if you had not introduced matter, I admit and fancy I was the first to proclaim that general worrying must function where it lives. There can be no other way. More in sorrow than in anger, let me say I vividly remember how often you tried to break the rule which you now glorify.

I did; but I was never allowed to do it. However, I knuckled down. I saw the thing through.

Fifth, it is, however, a different thing when Cabinet delegates to a Minister a special task abroad, involving acquaintance with facts usually not within the knowledge of other Ministers, and asks him to do work often entailing swift decision on a chain 12,000 miles long. Your references, therefore, to Lloyd George and Clemenceau do not apply. I speak respectfully, but plainly, what (? when) I say that I cannot do finance part of my job if I have to await directions from headquarters, or am to be interfered with without consultation or knowledge in discharge of it.

With regard to immigration, re-organization of High Commissioner's Office, trade representation, Treaty matters, including mandates and reparation, it is quite a different thing. Some Ministers know some such matters better than I do; others quite as well as I. Consultation on these is practicable and wise, and I should certainly have conducted it. But with finance it is impossible. If I had imagined that you did not recognise this, I would certainly not have undertaken mission.

Sixth, *re* your actions *re* wool, I admit, of course, that question of next clip is a matter for Government. You say you acted because it was urgent. I do not agree that it was as urgent as you suggest. My answer, however, is that you could have got me by wireless, and had reply in two or three days—

Of course, they could have got me by wireless. I was on the s.s. *Niagara*.

and, as your scheme dovetailed into vital part of my work, such a consultation ought to have been attempted. If your motive was to strengthen my hands, it has certainly weakened them. You must surely see the baffling situation created. I had entered into my negotiations, and when I saw enough of facts I made certain propositions. They were assented to. On top of that comes your telegram making widely (?different) and, I think, impossible demands. You are the head of the Government and I a subordinate Minister. The wool authorities did the only thing open to them—politely, but clearly, they turned me down. Even now, while promising not to communicate direct with Secretary of State about wool finance again, you have apparently no intention to put me right with Government here, by, stating to them that this matter is entirely in my hands. Until such an intimation is sent, I should only humiliate myself by

knocking at door again. I repeat that your telegram to Secretary of State was different in form and manner of presentation to what I was advised; but I see no good arguing on difference, in view of what you say is Cabinet opinion.

*Re Spa.*—If you think I am fool enough to agree to any amendment of matters on which Australians have strong convictions without consultation, I am neither fit to be plenipotentiary nor messenger. Nevertheless, I cannot masquerade as a plenipotentiary and know that I am bound hand and foot. In this connexion, is there any special reason why High Commissioner should have been directed to sign Hungarian Peace Treaty and Nauru agreement while I was in London?

In view of decision registered in every line of your telegram, I do not know whether it is worth while dealing with some matters you have referred to. Perhaps I should say, *re* Governor-General, I was brought into it by Secretary of State, and only conversed with him at his special request, and he quite understood that I could not deal with question. I told him he should telegraph to you.

Your treatment of these last three questions indicates that you misapprehended my intentions. Boiled down, your determination appears to be that I must touch nothing except the things on my list, and, even on these, decide nothing without referring to you. I cannot accept that position, which is that of an official, and not a Minister.

I have most carefully reviewed the whole situation many times, and I say regretfully, but finally, that I cannot alter the view I have expressed. You say that Cabinet is unable to understand, and regrets my attitude, and that it unanimously approved your answering telegram. It is clear that I am at variance with my colleagues on important issues, and I must take the only course open to me. I therefore tender my resignation as Minister, and ask you to submit it forthwith for acceptance to Governor-General. I shall hand all official documents in my hands to the Secretary to the Treasurer, and as soon as my resignation operates pay my own expenses.

WATT.

*Sitting suspended from 1 to 2.15 p.m.*

Mr. HUGHES.—Following on Mr. Watt's cablegram, which ended with a definite intimation that he resigned, and in which he asked me to place his resignation in the hands of His Excellency the Governor-General forthwith, I sent the following message:

Personal and secret. Your telegram reached me yesterday morning. Yesterday afternoon, press received cable message from London announcing resignation, and giving reasons therefore. I have summoned Cabinet for earliest possible date. Ministers scattered all over continent. We meet next Tuesday in Sydney. Meanwhile, may I ask you not to give anything further to the press? I shall decline say one word. In haste.

To this I received from Mr. Watt the following reply:

Your telegram 10th June received. As I am not a member of the Government now, I am not concerned about the meetings of Cabinet.

On Monday, 7th June, I telegraphed you my resignation, and asked you to forward it to the Governor-General forthwith. As you have apparently not done so, I have sent it to-day direct to His Excellency.

I note that you urge me to press silence. Since first announcement I have abstained, but cable reports utterances in Australia by some of your colleagues.

On 15th June I sent the following cablegram to Mr. Watt:

Cabinet met to-day; all members present. After full discussion, Cabinet decided no course open but to accept your resignation. I therefore communicated with His Excellency, intimating that you had resigned, and recommended that he accept your resignation, which he has done.

That completes the cable communications that have passed between Mr. Watt and myself, and covers also all those references that have been made to the British Government in relation to the matters concerning his mission. I invite honorable members and the citizens of the Commonwealth carefully to peruse the communications sent by me to Mr. Watt. I ask honorable members to note particularly not only the matter of those cables, but the tone of them. I ask any honorable member here, and I ask any citizen of the Commonwealth, whether he or she sees anything in them at which a reasonable person could take offence? I say unhesitatingly that the tone of those cables leaves nothing to be desired. They are obviously not conciliatory cables sent in the face of some provocation to the contrary, for many of Mr. Watt's cables to me were peremptory in tone. They are cables sent with a desire to remove all reasons for complaint, and to assist Mr. Watt in his mission. I ask every honorable member to contrast the tone of my cables to Mr. Watt on this mission of his to London with the tone of the cables he sent to me while I was acting as representative of the Commonwealth at the Peace Conference and on the Imperial Cabinet in 1918 and 1919. I invite all honorable members to note that the principle of consultation with the Cabinet, and acceptance by the plenipotentiary or representative of the Government abroad of the decisions of the Cabinet in Australia, has been well established and definitely

settled. In order to show to what extent this has gone, I shall read two or three cables, extracts from some of which I have already given, in proof of my contention:

Watt to Hughes, 14th March, 1919—

Very surprised contents your cable 12th March. Government proposes deliberate next week on policy with regard to existing Commonwealth ships and proposals for future, and to consult you by cable. It may be that this sale is advantageous in view of all the circumstances, but I strongly feel that such important action should not be taken in anticipation of Cabinet approval. As to buying more up-to-date ships with proceeds this sale, you must delay until Cabinet has had chance of considering proposal. Garran will advise you of requirements of Constitution and Audit Act in relation to such financial transactions. As, however, you appear to have committed yourself in the matter of the sale, will make all arrangements with Customs, &c., as requested.

Watt to Hughes, 17th May—

Eva advises you have sold *Australfield*. Have re-read cables both ways between us on sale of ships, and think proper procedure is to get definite authority from Cabinet for all such transactions before arranging them; otherwise Government here compelled to confirm business already completed. This is not criticism of merits of either sale, which really appears advantageous, but expresses desire that procedure should be put on regular basis for future. Think you should carefully observe this rule.

Watt to Hughes, 24th January, 1919—

but I suggest for your earnest consideration wisdom and necessity of communicating with Cabinet and securing its concurrence before any policy pledging Government is announced. Even in cases where immediate action is necessary, we should surely be apprised of facts and reasons. This is my strong personal view, which I have abstained from putting before colleagues, and I urge it on your attention as the only possible working basis.

Then note what Mr. Watt claims in his cablegram to me of 27th May, 1920—

I do not know whether Cabinet or you is responsible for the situation which I have described, but I am determined that it cannot longer continue. I have, therefore, decided to proceed no further with the work of the mission until my position is defined. If you want me to do good work here, you must leave matters confided to my care entirely in my hands, and trust my judgment as to whether I should consult you or decide them here.

I ask honorable members and my fellow citizens throughout the Commonwealth to contrast Mr. Watt's ultimatum with the position clearly laid down, not once,

Mr. Hughes.

but many times, by Mr. Watt, when Acting Prime Minister, that Cabinet must be consulted, and that nothing must be done unless Cabinet has approved it. I ask honorable members and my fellow citizens also to contrast the tone of Mr. Watt's cables to me, both when I was in England and France, on my mission as a representative of the Commonwealth, and when I was at the head of the Government here during Mr. Watt's mission. Mr. Watt said over and over again that I must do or not do certain things. And while on this mission the tone of his cables are the same. He said, "Kindly inform me whether you intend to do this; if it is not done I will not go on." And again—"Unless you are prepared to leave to my discretion whether I should consult you or not, I will not carry on." He said that he was asked to assume "the garb of a plenipotentiary with the mind of a telegraph messenger" in relation to the Spa Conference, when all I asked him to do was what I think every honorable member will agree that the Government had a perfect right to ask him to do—that he should not, on questions involving the policy of the White Australia, the open door, indemnity, and the mandates for the Pacific Islands, alter the existing policy without consulting the Government. Will any man say for one moment that that was an improper limitation upon the powers of a representative of the Commonwealth? I ask them to contrast that with my position in London, when I was told that I must not even ask that Australia—this great Commonwealth that made such tremendous sacrifices for the Empire during the war—should be represented at the Peace Conference at Versailles, and that he could not allow me to go straight on. I must quote his exact words, which were—

We feel we are not justified in letting you go straight on the course you have marked out without seeing more plainly the contents of previous cables as to what our opinions are. I personally and earnestly trust you will give due heed to them, and advise the results.

I ask honorable members to say what would have happened to the Commonwealth if I had acted as Mr. Watt has done, and had left Australia without representation at the Peace Conference at Versailles. What would have happened? Australia would not have had

any representation on matters of "life and death," for it would have been quite impossible for another representative to have reached Europe to submit the views of the Commonwealth in connexion with the mandates over the Pacific Islands and the White Australia policy. I say deliberately that had I given Mr. Watt every cause for irritation and resentment, as he was the representative of the Commonwealth on a mission which meant life or death to us, he ought not to have abandoned his post. Had I been in his place, and he in mine—although, perhaps, what I would have thought could not be expressed here owing to the rules of the House—I would have remained, and when I returned would have said exactly what I thought. I have no doubt that is the feeling in the minds of nine out of every ten people in the Commonwealth. Mr. Watt has left us now without a representative in London at one of the most critical junctures in our history. I invite honorable members to note those acts of omission which he said irritated him. I invite them to note that I did what he asked at the earliest possible moment. I notified the British Government of the fact that he had been appointed as our representative on the Imperial Cabinet. He asked me to see that he received copies of cables to and from the Secretary of State for the Colonies, and I directed that that should be done. I said, further, that, whilst I did not admit for a moment that his complaints were justified, I understood his position, and I would in future be silent, or I would speak as he desired. I said that I would despatch no more cables apart from those he wished me to send to support him. I invite honorable members to note the tone of my last cable, the concluding paragraph of which reads—

Having said so much, let me say this further to you. I am merely following the rule which you yourself so strongly insisted upon. You will admit, I think, that the rule is a sound one. . . . I want to say, however, that I know how embarrassing and irritating the application of this rule must be. I felt it so a hundred times, and had I said exactly what I felt I should no doubt have sent you many telegrams which would not have differed much from yours. So, speaking from the depth of my experience, I quite understand your attitude, but hope that you will look at the matter as I did, and do the best you can. Believe me, I shall not embarrass you, but will do everything to help you and keep you

informed. I shall not communicate direct with Secretary of State re wool half profits or finance, excepting at your request. In regard to Spa Conference, the only restrictions upon your freedom of action are in relation to those matters upon which overwhelming bulk of Australians have fixed opinions.

Now for a final word. I have endeavoured to cover the points raised in your cable, and put matter quite clearly. I understand, I think, just how you feel, and I want to assure you that you have no reason whatever for the belief that anything is being done, or will be done, at this end to impede your mission. On the other hand, everything will be done, whether by silence or action at your request, to further it. We want you to succeed. We both have the same object in view, viz., the welfare of Australia. I want to do everything I can to help or support you; if it appears to you otherwise, I ask you to accept my assurance that you are absolutely mistaken.

I confess, Mr. Speaker, that I am utterly at a loss to understand the reason for Mr. Watt's resignation. I have had feuds with honorable members in this House, but if any man here had sent me a letter concluding with such an assurance, I would have wiped away everything that had passed, and shaken him by the hand. But Mr. Watt overlooked all these attempts at conciliation, which were couched in not merely studied moderation of tone, but such language as from a man like me, at any rate, might have assured him that I was most anxious that he should realize that I desired his co-operation, and wanted him to go on. Yet despite every effort to conciliate him he persisted in his resignation.

Mr. Watt's resignation reached me at 9 o'clock on the morning on which it appeared in the press. It is true it arrived where I was staying at 11 o'clock on the previous night—or rather the last four lines relating to his actual resignation reached me—the whole telegram was not then deciphered, and it did not come to hand until the next day. I was in bed at the time, and if that be a crime I plead guilty. I read the message the next morning. The press had the information before me, and their representatives came out 20 miles from Wagga, at midnight. I declined to say anything of a definite character. No one knows better than Mr. Watt that it is absolutely without precedent for a Minister to communicate his resignation to the press before it had been received and acknowledged by the Prime Minister. Yet Mr. Watt did not allow me even to communicate with my colleagues before he

announced his resignation to the press. What would have been said of me if I had accepted it, even though it had been announced in the press, without consulting my colleagues? Does any one blame me for calling my colleagues together when it was a matter of life or death to the Commonwealth? I did what any sensible man would have done in my place, and said nothing. I was censured by the press for refusing to speak before I had consulted my fellow Ministers. In the meantime, Mr. Watt, not satisfied with taking this unprecedented course, forwarded his resignation direct to His Excellency the Governor-General—again a step without precedent. The Governor-General had no more to do with it—less in fact—than any citizen in the street. The Governor-General could no more act on it than could a resident of, say, New Zealand, as His Excellency can act only on the advice of his Ministers. No one knew that better than Mr. Watt.

In the face of all this, there was no course open to us but to accept the resignation of a man who had slammed the door on every effort on our part at conciliation or reconciliation. The Government have, therefore, with the utmost regret, accepted his resignation. I am very sorry. I have endeavoured to understand why he resigned, and I do not even now know the reason. I have looked through the files, and I can find nothing to justify it. I ask honorable members to recollect that the only thing I did in reference to the half profits on sales of wool were things that, in the very nature of things, had to be done, and had to be done in Australia. Mr. Watt could not negotiate with the growers, neither could he retain one penny of the money unless the growers assented. The growers were in Australia. I was the man to meet the growers, and I did so. For some reason or other Mr. Watt took umbrage at this, although I notified him at the earliest opportunity of what I had done. I communicated direct with Mr. Watt. But he acted in a very different manner towards me, for he sold the wool when I was on the water without even notifying me of the sale. He states that his ship had wireless, so had mine; and, although I was at Auckland for a week, at Suva for a day, at Honolulu for a similar

period, and was four weeks in America, I did not hear one word concerning the sale of the wool. Yet, although I was surprised and strongly objected to what he had done, I went on with my mission.

I have endeavoured to put the matter quite fairly. I am naturally much disturbed at what has happened. I am disturbed personally, because it has broken the intimate relations that have existed between Mr. Watt and myself during three or four of the most trying years in the history of the Commonwealth. But I am more disturbed because of the consequences to Australia. She is unrepresented now, when she is in urgent need of representation by a competent man. I am disturbed because, with our finances as they are, we have no representative in London or elsewhere to endeavour to adjust them.

Mr. Watt has resigned. I have explained the circumstances under which he has done so; I think I should add that this is the third time that he has sent in his resignation since my return from England. Mr. Watt then met me at Fremantle, and accompanied me across the continent. His health was at that time giving him, his family, and his friends grave concern. We discussed together the position as it then stood and the future as we saw it reflected in the mirror of the present. He told me—I give the substance of our conversations, because I cannot remember the actual words—that he could not continue in office, that he had merely held on during my absence, but would now have to resign. On my side, I said what honorable members know to be true, that I had had five or six years of incessant struggle. Those who know me best know what a wrench the cataclysm that divided the Labour party in 1916 was to me. I had returned from a mission in regard to which I might fairly claim that the reputation of Australia had not suffered at my hands. I had done that which I was sent to do. There were many reasons why I should retire. I shall not speak of the opportunities laid before me in England on which I turned my back, but it can be understood that returning as I did, and being received as I was received, I could not have selected a more propitious moment for temporarily withdrawing, at any rate, from my posi-

tion. I had had enough. Therefore, I said to Mr. Watt, "If you retire, I shall retire also. I shall not carry on." To that he replied that he would think the matter over, and let me know his decision. Subsequently he said that he would carry on, and honorable members will recall that that decision was publicly announced. I told him that as his health was such as to preclude him from doing much electioneering work, in the event of an election he could remain in Melbourne, and I would do the greater part of the electioneering. That promise was kept. Subsequently, however, Mr. Watt twice resigned, definitely and in writing. In each case I persuaded him to withdraw his resignation.

Honorable members now have all the facts before them. These show clearly that I did everything in my power in this instance as I did on other occasions to persuade Mr. Watt to remain in the Government. The cablegrams prove conclusively that there would have been no sufficient reason for his resignation had he been in Melbourne, and had I spoken to him in the terms in which I wrote to him. No one would dream of resigning a portfolio on that account. I have been in a Ministry with the honorable member for Yarra (Mr. Tudor), and he, like other members who have held office, know that at Cabinet meetings there are frequently differences of opinion expressed, and that after discussion the will of the majority must prevail, and the Minister holding a contrary view must either fall in with his colleagues or resign. I do not say that there are not circumstances which justify resignation if the Minister is on the spot; but during a long Ministerial career I can now recall only one instance in which I felt so strongly on a matter that I would have resigned had it been decided adversely to my view. The matter to which I refer had nothing whatever to do with conscription. The honorable member for Yarra was one of my colleagues at the time, and he and I decided to resign unless effect were given to a certain policy. Effect was given to it, and we did not resign. Had we resigned, however, our resignation would not have embarrassed the Commonwealth. But when men are sent 12,000 miles overseas on a mission of vital importance to the country, there is imposed

on them a sacred obligation which they cannot evade, and I cannot conceive of anything that would justify their resignation. Certainly there is nothing in the cablegrams that I have read to justify Mr. Watt's resignation. I have sat at Cabinet meetings at which hard things have been said, I will not say worse than anything I wrote to Mr. Watt, because I wish that every one would speak to me as I wrote to him, and no doubt others would like me to speak to them always as I wrote to him. I cannot conceive of anything that would justify the abandonment of a mission so vitally important to the Commonwealth as that of Mr. Watt. I regret the right honorable gentleman's resignation; I regret the loss of the man himself, and, above all, I regret the consequences of the resignation to the Commonwealth.

There is one other cablegram which I have not mentioned. It was sent in code by the Central Wool Committee to a similar body in England, and this is a decode of it. The address was, "Dirawmat, London," and the cablegram was dated the 21st May last. It reads as follows:—

No. 1217.

The following appears in this morning's press—quotation begins:—

#### "WOOL CONTROL."

#### "MR. HUGHES' PROPOSALS."

#### "GROWERS AND BROKERS ACCEPT."

"As the result of a Conference of Pastoralists and Woolbrokers recently held in Melbourne to consider the scheme proposed by the Prime Minister for the disposal of the 1920-21 wool clip and for the distribution of the profits that have accrued in London from the disposal of the wool sold to the British Government representatives of the Conference had a long interview with Mr. Hughes on Wednesday afternoon.

"It was explained by the Chairman of the Wool Council that the proposal to deal with the new clip and the other proposal submitted by Mr. Hughes relating to the surplus from the London sales had been considered separately, and that it had been decided to accept the Prime Minister's proposals as a basis for the sale of the forthcoming clip, and to authorize him to put his proposals before the British Government as follow:—

1. No export of the new 1920-1921 clip from Australia prior to 1st October, 1920.
2. No auction sales of Australian wool in London after September 30th, 1920, until May 1st, 1921.

*Mr. Hughes.*

"3. The earliest notification of this to be given so that buyers will know that Australian wool will be procurable only in Australia between the dates mentioned.

"4. No auction sales to be held in Australia until October 1st next. From this date on Australian woolbrokers would auction the 1920-1921 clip on owners' account and proceed with the auctions without interruption until May 1st, 1921, from which date onwards normal conditions would prevail, viz., the British Government would resume selling its left-over wool and auctions could be held concurrently in Australia of any small quantity that might then be left of the 1920-1921 clip.

"Mr. Hughes explained that in formulating his proposals and laying the item before growers, he had been offering advice which he felt assured was in their best interests. It would not only be against the interest of growers, but a disaster also to Australia to allow the coming clip to be sold anywhere but in Australia. He would not be a party to compulsion.

"Representatives of the growers indicated that Government control in any form, regarding the management of the realization of the new clip, would not be acceptable. Mr. Hughes again emphasized his determination to have nothing to do with control.

"Reference was made by Mr. Hughes to the drought difficulties in many parts of Australia, and he expressed the hope that the British authorities would, without further delay, make a statement of accounts as to the amount of money that already stood to the credit of the Pool. The presence of the Treasurer in London would, he felt sure, be helpful in obtaining a proper statement, and also in securing an immediate payment of the amount due to Australian growers.

"As the amount to be made available from accrued profits was uncertain, it was agreed to leave the consideration of the Prime Minister's financial proposals to a later date, pending receipt of replies to his cable communications to the Secretary of State and to Mr. Watt.

"In order to allow carcass butchers, sheep-skin buyers and fellmongers to be unhampered in their operations, and also to safeguard the interests of the fat stock and sheep-skin markets, it was indicated that special arrangements would have to be made whereby skin wools could be realized, thereby preventing an undue amount of money being locked up. Permission to sell privately through selling brokers during the period from July 1st to October 1st, would, it was held, no doubt meet the difficulty.

"It was announced that an executive had been appointed to be known as the Australian Wool Council. This body will be available to receive all communications from, and discuss

all matters with, the Prime Minister in connexion with his negotiations."

Quotation ends.

Central Wool Committee have not at any time been consulted by Prime Minister, or invited to attend conferences with regard to proposed new arrangements.

CENTRAL WOOL COMMITTEE.

I did not see that cablegram until the 7th June, and when I had seen it I directed the Secretary to the Prime Minister's Department to send the following letter to the Secretary of the Central Wool Committee:—

Prime Minister's Department,  
Melbourne, 7th June, 1920.

Memorandum for:

The Secretary

Central Wool Committee.

I am directed to inquire, on what authority the cable described in the margin—[Cablegram No. 1217, dated 21st May, 1920, to Dirawmat, London, re wool control]—was despatched without having first been submitted to the Prime Minister, seeing that the matter has nothing whatever to do with the sale of the clip, and was based merely on a newspaper paragraph.

Mr. Hughes considers that the matter is outside the scope of the Central Wool Committee's province, and is one purely of Government policy, and that any comments thereon should have been submitted to him for transmission, if deemed necessary.

M. L. SHEPHERD,  
Secretary.

To that the following reply was received:—

Commonwealth of Australia.

A20/458.

Central Wool Committee,  
113 William Street,  
Melbourne, 11th June, 1920.

The Secretary,  
Prime Minister's Department,  
Melbourne.

Adverting to your memorandum of 7th June, with reference to Cablegram No. 1217, dated 21.5.20, addressed by the Central Wool Committee to Dirawmat, London, by direction, I have to say that such cablegram was forwarded on the authority of the Central Wool Committee.

The Central Wool Committee forward all matters which they consider of interest to the wool authorities in London, and as the only information which the Central Wool Committee had on the proposed scheme was that appearing in the public newspapers, they cabled the press statement.

J. M. BALFOUR,  
Secretary.

I have laid all the papers on the table, and they will appear in the *Hansard* re-

port of my speech. Thus they will become public property, and honorable members and their fellow citizens can peruse them at their leisure. That, for the time being, at any rate, closes an incident which is much to be regretted.

Mr. TUDOR (Yarra) [2.59].—(By leave).—Yesterday I asked whether the cablegrams that had passed between the Prime Minister (Mr. Hughes) and Mr. Watt, or between the Prime Minister and any other Minister and the British Government would be laid on the table, and the Prime Minister replied that they would be laid on the table, with the exception of such parts of them as had nothing to do with Mr. Watt's resignation or contained statements which, in the interests of the public, should not be disclosed. He suggested that I and the honorable member for Franklin (Mr. McWilliams) should go through the file with him, and determine what might properly be kept back from publication. The file of correspondence was submitted to us, and we were assured by the Secretary to the Prime Minister's Department that it contained the whole of the cablegrams that had passed. The Prime Minister's suggestion was that we should edit this file; but we acted rather as censors, our work being to cut out what was not material to the case, or what, in the public interest, should not be disclosed. We were not asked to take sides, and I do not intend to do so. By way of illustrating the omissions that we sanctioned, I might say that one of the cablegrams sent by Mr. Watt contained certain confidential figures. He said: "I have obtained these figures in confidence." That information was, therefore, kept back from publication. Then on another matter the Secretary of State for the Colonies sent a cablegram to the Prime Minister marked "most secret." Honorable members, no doubt, are aware that there are "confidential" cablegrams, "secret" cablegrams, and "most secret" cablegrams. A cablegram marked "most secret" could not be published without the permission of the sender, and therefore that cablegram, together with the Prime Minister's reply to it, has been withheld. We were not asked to indorse or confirm any of the statements in the cablegrams; that was

not our business. All we were asked to do was to make sure that the material facts were given to the House. In the file there are statements that are not material to the resignation of Mr. Watt—criticisms of persons and Governments, which have nothing to do with the case—and the publication of some of which might injure the Commonwealth. We agreed that such statements should not be made public. Possibly any member who desired to see the whole file could do so; but that is a matter for the Prime Minister and the Cabinet. I assure the House, however, that, in my opinion, everything on the file that is material to the case, and that could properly be published, has been made public by the Prime Minister.

**Mr. McWILLIAMS** (Franklin) [3.2].—*(By leave).*—I wish to inform the House that all the correspondence was placed before the honorable member for Yarra (Mr. Tudor) and myself, and that we went through it without any interference or suggestion by anyone, and I think everything that was material to the dispute between the Prime Minister (Mr. Hughes) and the ex-Treasurer (Mr. Watt) has been made public. What we struck out was either matter that did not meet the case, or matter that we thought should not, in the public interest, be disclosed. May I add that I deeply regret what has occurred. Personally, I shall refrain from expressing any opinion on the case, either publicly or privately, until Mr. Watt is present, and has put his position before the House. That seems to me to be the fair course to take.

#### EMBARGOES ON IMPORTS.

##### SHEEP DIP.

**Mr. GREGORY** asked the Minister for Trade and Customs, *upon notice*—

1. Whether embargoes are still being placed on the importation of any goods from abroad?
2. If so, on what goods?
3. Has the embargo on the importation of sheep dip been rescinded?
4. If so, when, and for what reason?
5. For what period was the embargo enforced?
6. Is it not a fact that some of the Australian manufacturers of sheep dip publicly stated that they did not desire the embargo?
7. Was the embargo placed on the importation of sheep dip in the interests of the wool-grower?

8. When is it the intention of the Minister to remove the embargoes which have been placed on goods for the purpose of encouraging Australian manufacturers?

**Mr. GREENE.**—The answers to the honorable member's questions are as follows:—

1. Yes.
2. Goods from ex-enemy countries; dyes, at the request of the Imperial Government; sugar, as the Government is the sole importer; citrus fruits and potatoes, from countries in which disease is known to exist, thus safeguarding the interests of the primary producers.
3. Yes.
4. On the 19th May last, because the Tariff has no longer rendered it necessary.
5. From 26th March, 1919, to 19th May, 1920.
6. I have no information on that point.
7. Yes.
8. In accordance with my definite announcement when introducing the Tariff, all embargoes, with the exception of those mentioned in answer to No. 2, have been removed.

#### ECONOMIES COMMISSION.

**Mr. GREGORY** asked the Prime Minister, *upon notice*—

1. Whether the Economies Commission, before presenting their report, took evidence from the permanent heads of the Departments concerned before arriving at the published conclusions?
2. Have the permanent heads of the Departments concerned been asked to reply and report on the Commissioner's report?
3. Will the Government lay such replies on the table of the House?

**Sir JOSEPH COOK** (for Mr. HUGHES).—The answer to the three questions is "Yes."

#### CHEAPER TELEPHONE FACILITIES.

##### BRUCE ROCK TO KORBEL LINE.

**Mr. GREGORY** asked the Postmaster-General, *upon notice*—

1. Whether it is a fact that the erection of a telephone from Bruce Rock to Korbel, Western Australia, a distance of  $10\frac{1}{2}$  miles, exclusive of the cost of the erection of poles, cost, approximately, £500?
2. Will the Minister lay on the table the details of this expenditure?
3. Is it not possible for the Department to inaugurate some cheaper method of providing telephonic facilities in country districts?
4. Where the residents erect their own wires for telephonic purposes, will the Minister approve of wires being laid on trees, fences, under roads, or in any manner suitable to those constructing it, providing they take all responsibility?

**Mr. WISE.**—The answers to the honorable member's questions are as follow:—

1. I am making inquiries in the matter.
2. Yes, when they are to hand.
3. Telephone lines in country districts are at present erected as cheaply as efficient telephonic service and low maintenance costs will allow.
4. Part XVIII. of the Telephone Regulations already provides for the erection of such lines by residents under the conditions the honorable member mentions, the only restriction being that permission shall not be granted for the erection of any such line along any public road, railway, or track unless the Deputy Postmaster-General is satisfied that it is in every respect unobjectionable, and that the consent of the railway and local authorities, where necessary, has been obtained.

#### REPATRIATION.

##### RETURNED SOLDIERS IN FEDERAL TERRITORIES.

**Mr. BURCHELL** (for Mr. HECTOR LAMOND) asked the Minister representing the Minister for Repatriation, upon notice,—

1. Whether it is a fact that returned soldiers resident in the Northern Territory are denied the benefits of repatriation?
2. Are returned soldiers resident in other Territories also excluded from such benefits?

, **Mr. POYNTON.**—The answers to the honorable member's questions are as follow:—

1. No; an officer of the Repatriation Department left Sydney this week for Darwin with authority to deal with all minor cases, and instructions to report on all important cases to the Commissioners.

2. No. Arrangements have been made for dealing with returned men from the Federal Capital Territory. The matter of dealing with returned men from Papua and Norfolk Island is now receiving the attention of the Commissioners.

#### SILVER-LEAD AND ZINC ORES.

**Mr. CONSIDINE** asked the Prime Minister, upon notice,—

1. Whether an agreement is in existence between the Commonwealth and the Associated Smelters Proprietary Limited relating to the smelting and sale of silver-lead and zinc ores?

2. If so, will the Prime Minister lay upon the table of the House a copy of the agreement?

**Sir JOSEPH COOK** (for Mr. HUGHES).—The answers to the honorable member's questions are as follow:—

1. No.
2. See answer to No. 1.

#### SUPPLY OF SUGAR.

**Mr. LAZZARINI** asked the Minister for Trade and Customs, upon notice—

Whether he will make a statement to the House as to when there is likely to be a plentiful supply of sugar for Australian consumers?

**Mr. GREENE.**—The local crop is now being harvested, and as soon as the raw sugar reaches the refineries ample supplies will be available for some time to come.

#### QUEENSLAND INCOME TAX ACT.

**Mr. MACKAY** asked the Acting Treasurer, upon notice—

Whether the Treasurer has arrived at a decision in reference to a recent amendment of the Queensland Income Tax Act, whereby investors in various issues of Commonwealth loans, which were declared free from taxation, have been required to furnish particulars of interest received, and have been called upon to pay taxation on a higher scale?

**Sir JOSEPH COOK.**—The matter has been placed in the hands of the Crown Solicitor to take the necessary action to have the provisions of the Queensland Income Tax Act declared *ultra vires*.

#### ARBITRATION COURT.

##### CONGESTION OF BUSINESS.

**Mr. MAKIN** asked the Attorney-General, upon notice—

1. Whether the Commonwealth Arbitration Court is at present in recess?

2. If so, for what period?

3. Does congestion of cases listed for hearing still exist?

4. If so, what are the intentions of the Government to overcome the same, and to expedite the hearing of cases?

**Mr. GROOM** (for Mr. HUGHES).—The answers to the honorable member's questions are as follow:—

1 and 2. The four weeks' winter vacation of the Court began on Saturday, 26th June. The Deputy President is, however, sitting in vacation.

3. Yes.

4. An announcement will be made on this subject very shortly.

## COUNTRY POST-OFFICES.

Mr. CUNNINGHAM asked the Postmaster-General, *upon notice*—

Whether, before taking steps to close any more country post-offices, notice will be given, at least one month prior to closing the same, to the member representing the district in which the office is situated, and not after it has been closed, as at present?

Mr. WISE.—Yes. I understand that no office is now closed without prior notice being given through the Federal member to the persons concerned.

## INVALID AND OLD-AGE PENSIONS.

Mr. MAKIN asked the Acting Treasurer, *upon notice*—

Whether the Government will give effect to an increase to the old-age and invalid pension, in accordance with the increased cost of living?

Sir JOSEPH COOK.—As I stated to a deputation a few days ago, I am submitting the question for the consideration of the Cabinet.

## COMMONWEALTH BANK: APPOINTMENTS.

Mr. CUNNINGHAM asked the Acting Treasurer, *upon notice*—

Whether he will make available for members the regulations governing the employment of persons in the Commonwealth Bank, such as tellers, cashiers, and other officers of the Bank?

Sir JOSEPH COOK.—The conditions of employment in the Commonwealth Bank are entirely in the hands of the Governor of the Bank, and are not covered by regulations.

## SHIPBUILDING: COCKATOO ISLAND.

Mr. MAHONY asked the Minister in Charge of Shipbuilding, *upon notice*—

Will he state why the Government are not proceeding with shipbuilding at Cockatoo Island?

Sir JOSEPH COOK.—The work is proceeding; but just at present the actual construction of the larger vessels which are to be built at Cockatoo Island is held up pending the arrival of the necessary material from England, where the order was placed some months ago. The material was not obtainable in the Commonwealth.

## WOOL POOL DIVIDENDS.

Mr. CUNNINGHAM asked the Prime Minister, *upon notice*—

Whether, in view of the drought having broken in New South Wales, and many graziers being without funds, the Government will see that dividends out of the Wool Pool are paid in cash, and not in bonds, so that graziers may restock their holdings?

Sir JOSEPH COOK (for Mr. HUGHES).—The Prime Minister has arranged to discuss the matter with representatives of the wool-growers this afternoon.

## PENSIONS TO SOLDIERS' DEPENDANTS.

Mr. BLUNDELL asked the Minister for Home and Territories, *upon notice*—

Whether it is the intention of the Government to increase the pension paid to dependants of soldiers who enlisted in the Australian Imperial Force, making the amount equal to that paid before the passing of the Repatriation Act 1920?

Mr. POYNTON.—I have not an answer to this question, but a reply to a later one on the notice-paper, in the name of the honorable member for Flinders (Mr. Bruce) covers the subject of the honorable member's inquiry, as well as other matters related to it.

## NEW ZEALAND POTATOES.

## EMBARGO ON IMPORTS.

Mr. RILEY asked the Minister for Trade and Customs, *upon notice*—

1. Whether he will inform the House what reasons he has for preventing the importation of New Zealand potatoes into Australia, seeing the great shortage of potatoes in the Commonwealth, and the high prices that are being charged to the consumers owing to the shortage at the present moment?

2. Has he received any communication from New Zealand in respect of this matter?

3. If so, what is the nature of the communication?

Mr. GREENE.—The answers are as follow:—

1. The importation of potatoes from New Zealand for food purposes under special conditions was stopped in February last, owing to the presence in New Zealand of the destructive disease powdery scab (*Spongospora subterranea*). This action was taken with the view of protecting the potato industry of Australia, as the planting of such potatoes after admission, with consequent spread of the disease, could not be prevented.

2. Yes.

3. The Prime Minister of New Zealand suggested that the Government send a Commonwealth officer to New Zealand to inspect potatos available for shipment, the consignments passed by this officer to be allowed entry into Australia. As this proposal was not an effective way of overcoming the difficulty, it was not accepted.

## CONTROL OF AUSTRALIAN NAVY.

Mr. MAHONY asked the Minister for the Navy, *upon notice*—

Is it the intention of the Commonwealth Government to hand over the control of the Australian Navy to the British Government?

Sir JOSEPH COOK.—The answer is, "No, certainly not."

## REPATRIATION.

### ALLOWANCES TO WIDOWED MOTHERS AND ORPHANS.

Mr. BRUCE asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Whether it is a fact that the Crown Law authorities have advised that under the Australian Soldiers' Repatriation Act 1920 there is no power to pay allowances in supplement of pensions to widowed mothers and orphans of deceased soldiers as heretofore?

2. If so, in consequence of this decision, will the total amounts payable to many widowed mothers and orphans be decreased upon the coming into operation of the Act referred to?

3. Is it proposed to take any steps to avoid a reduction in the payments to such widowed mothers and orphans being brought about by the operation of the Australian Soldiers' Repatriation Act 1920?

Mr. POYNTON.—The Commission advises—

1. The Crown Law authorities have advised that under the Australian Soldiers' Repatriation Act 1920 it has no power to pay any allowances in the nature of or supplementary to pensions.

2 and 3. The Minister has made arrangements with the honorable the Treasurer for a special vote to continue living allowances for a short period, pending investigation and review of all relative cases.

## BUTTER.

### SALE TO BRITISH GOVERNMENT.

Mr. MACKAY asked the Minister for Trade and Customs, *upon notice*—

1. Is the Minister in possession of full particulars of the reported sale of Australian butter to the British Government at 240s. per cwt.?

2. Is it proposed to make a compulsory "pool" for the purpose of carrying out the new contract?

3. Is it a fact that Messrs. H. W. Osborne and H. Sinclair were sent to London to negotiate the contract at a conference of representatives of all co-operative factories throughout Australia?

Mr. GREENE.—The answers are as follow:—

1. The following cable has been received from the High Commissioner:—

"Referring to your telegram 1st April, next season's butter, Osborne and Sinclair have signed on behalf of Commonwealth Dairy Produce Pool contract with Ministry of Food, terms as follows:—Price, £12 per cwt. f.o.b. for butter grading 90 points, with 1s. per cwt. more for each point from 91 to 95 inclusive, and 1s. per cwt. less for each point under 90 points, and extra 3s. per cwt. for unsalted, which is not to exceed 25 per cent. of the whole, the Government to pay storage charges after an average of six weeks, the Australian committee to have the right to supply butter not exceeding 50 tons per month to South Africa, the period contract to be from 1st September, 1920, to 31st March, 1921, and to include butter delivered at cool stores Australia till the last-mentioned date. Financial arrangements and other conditions to be the same as under the existing contract. Purchase of cheese under consideration."

2. The nature of the arrangements (if any) necessary to give effect to the contract are at present under consideration.

3. The conference to which the honorable member alludes included delegates in the election of whom all the co-operative butter and cheese factories throughout Australia had a vote. The proprietary factories had separate representation. It was unanimously decided at that conference that in event of Great Britain deciding to retain control of dairy produce, delegates be sent to England to arrange a sale of our surplus production on the best terms possible, and that the selection of these delegates be left in the hands of the Dairy Produce Pool Committee. The British Government decided to retain control. Messrs. Osborne and Sinclair were selected and sent to England, with the result indicated in answer to question No. 1.

## DEFENCE POLICY.

### STATEMENT BY SIR JOHN MONASH.

Mr. MAHONY asked the Prime Minister, *upon notice*—

1. Did Sir John Monash speak on behalf of the Government at the British Empire League's luncheon when he said, "That a proposal would shortly be made to Parliament to provide for active and elaborate preparations for maintaining a huge Army in Australia"?

2. If so, does the Prime Minister consider it consistent with his responsibility, as head of

the Government in Australia, to allow such an important statement of Government policy to be made by a military officer?

**Sir JOSEPH COOK** (for Mr. HUGHES).—I have no answer to this question supplied by the Prime Minister, but I take leave to say, upon my own responsibility, that not for one instant has any such authority been given to Sir John Monash.

#### AUTOMATIC TELEPHONE EXCHANGE, COLLINGWOOD.

**Mr. WISE** (Gippsland—Postmaster-General) [3.15].—I move—

That in the opinion of this House it is expedient to carry out the following proposed work:—Provision of an automatic telephone exchange at Collingwood, Victoria.

This and two other similar works were referred to the Parliamentary Standing Committee on Public Works in 1915, and were approved of. This work was unanimously approved of by the Committee in that year. One of the other works has been carried out, and the other is in course of completion at the present time. This particular work has not been touched because of the difficulty of securing material and the inability of the Treasurer in the state of the finances to provide the necessary funds. I am glad to say that this year the Treasurer is able to provide sufficient funds for the work to be carried out during the present year. In anticipation of the consent of the House being given to this work I have obtained tenders for the switchboard, but I received an intimation that unless the tender is accepted by the 30th June the prices quoted in it will be re-adjusted. Knowing that the House would not re-assemble until yesterday, and that consent to proceeding with the work could not be secured until to-day, I was able to induce the tenderers to agree to an extension of the time for the acceptance of their tender to the 7th July. If we do not proceed with the matter now we are informed that the prices quoted will be likely to be increased. The work is absolutely necessary. I may say that there are three other automatic exchanges which it is proposed to submit to inquiry by the Public Works Committee.

**Mr. MAHONY**.—Where are they to be established?

**Mr. WISE**.—I cannot say at the present moment.

**Mr. MAHONY**.—Perhaps the honorable gentleman will say in which State they will be established?

**Mr. WISE**.—I cannot tell the honorable member at the present moment in which State they are to be established. The work referred to in my motion is estimated to cost £123,000, and it is anticipated that about £100,000 of that amount will be spent during the present year if the construction of the proposed exchange is approved of. It is very badly wanted. Our telephone services have become terribly congested throughout the whole of Australia through the inability of the Department to carry out necessary works during the years of the war. We have now to pull up the consequent arrears, and the sooner we do so the better. I confidently ask the House to carry this motion.

**Mr. RILEY** (South Sydney) [3.19].—I had the honour to be chairman of the Public Works Committee when this proposed work was referred to that body. I say that it is very urgently necessary that it should be carried out.

**Sir JOSEPH COOK**.—Did the honorable member approve of this expenditure in Melbourne?

**Mr. RILEY**.—Yes.

**Mr. TUDOR**.—Who signed the report of the Public Works Committee on the proposed work?

**Mr. RILEY**.—I did. The Public Works Committee recommended that this work should be carried out. The members of the Committee went into all the details, and it is a matter for regret that the establishment of the exchange has been delayed so long. I hope that the Postmaster-General (Mr. Wise) will do all that he can to extend postal and telephonic facilities throughout the Commonwealth. I can assure him that if he proposes to do so the members of this House will not be likely to grumble about being asked to support proposals of this kind.

Question resolved in the affirmative.

#### ADJOURNMENT.

COMMONWEALTH FINANCES—ORDER OF BUSINESS—FEDERAL CAPITAL.

**Sir JOSEPH COOK** (Parramatta—Minister for the Navy and Acting Treasurer)

[3.20].—After the interesting events of the day it is too late now to start on fresh business. In moving—

That the House do now adjourn,

I should like to convey to honorable members a piece of pleasant information concerning the financial transactions of the year, which ended on the 30th June. To my way of thinking the year's operations have ended satisfactorily in every way. Our revenues have increased remarkably; from Customs and Excise we received this year £4,000,000 in excess of the Budget Estimate. I have always believed that the Budget Estimates were on the conservative side, the anticipated receipts being nearly always exceeded; I have rarely known them in my twenty years' experience in this House to be overestimated.

Mr. TUDOR.—The receipts have never been so great as they were last year.

Sir JOSEPH COOK.—They have never reached anything like the colossal proportions of last year's figures. We received last year, in Customs and Excise revenue, £21,640,000, or £3,890,000 in excess of the Budget Estimate. No doubt the new Tariff accounts, in some measure, for that increase, but high prices are, I think, largely expressed in the figures. I am glad to be able to announce that the income tax receipts for the year totalled £12,850,000. We anticipated receiving from that source only £10,500,000, so that the increase over the Budget figures was £2,350,000. Many arrears from past years have been paid into revenue. That speaks volumes for the spirit of our people, who, notwithstanding the ravaging drought which has raged over a large part of the continent, have stood up to their responsibilities in this way, and paid amounts that were due from former years. No doubt high prices have again helped, and I apprehend that we may look forward to continued high prices for primary products for some time to come.

Mr. RILEY.—I hope the Acting Treasurer is wrong.

Sir JOSEPH COOK.—I know of some honorable members in the Corner here who hope that I am right. When we hear of butter being sold in London at 240s. per cwt., we can still anticipate a distinct rise in the prices of some things. The reason is that, to-day, the world is still hungry, and many coun-

tries are in want of those things which we, in this happy land, have in abundance. I think we should congratulate ourselves, not only upon our attainments during the last financial year, but upon the prospects for the future. Of course, the expenditure also was greatly in excess of the Budget anticipations. That was due largely to big increases in the war pensions and old-age pensions, but notwithstanding these heavy advances in expenditure, we anticipate that the year's transactions will disclose a credit balance of about £2,000,000. We commenced the financial year with an accumulated surplus of £3,476,478. There is unavoidable delay in completing the accounts for the year, owing to the fact that there are in London huge accounts to be balanced, the final figures of which do not reach us for several days after the financial year has terminated. For that reason the figures I am quoting are only approximate. But we anticipate that when all accounts have been balanced we shall have an accumulated surplus of between £5,000,000 and £6,000,000. I am looking forward to the appropriation of that sum in connexion with next year's account towards meeting the heavy expenditure to which we are still liable in consequence of the war. At this moment our attitude should be one of gratification for the manner in which the people have responded to their liabilities, and particularly for the fact that we live in a country that is so happily circumstanced.

Mr. TUDOR (Yarra) [3.24].—We were all delighted to hear the Acting Treasurer's statement, particularly as it followed upon the somewhat dismal picture that was painted during the reading of correspondence earlier in the sitting. I am glad that the financial outlook is improving. As I stated when speaking on the Tariff last night, I am concerned with the Tariff, less as a revenue producer, except in regard to Excise duties, and import duties on beer, spirits, and narcotics, than as a means of giving advantages to Australia's industries. Perhaps one of the causes of the big increase in Customs revenue are the high prices which are operating at the present time, and which, unfortunately, the people have to pay. I am hoping for the time when prices will decrease, but I candidly admit that those persons who are in the best position to

judge do not anticipate any material decrease in the near future. I should like the Acting Treasurer to inform the House of the order of business for next week. Honorable members should know whether we are to proceed with the Tariff or with the Navigation Bill and the Passports Bill, so that they may come prepared accordingly.

**Mr. HECTOR LAMOND** (Illawarra) [3.29].—I wish to impress upon the Acting Treasurer (Sir Joseph Cook) the necessity for making some adequate provision in the forthcoming Estimates for the construction of the Federal Capital. At Canberra the Commonwealth possesses one of the richest properties in Australia, and it is calling aloud for development. The development already carried out there has been immensely profitable, and by the expenditure of the money necessary to honour the bond entered into with the State of New South Wales at the time of Federation, the Commonwealth would be able to develop there a rich revenue-producing asset. The honouring of that contract is long overdue, and I hope that the Estimates for the current year will disclose that the Government are determined to keep faith with New South Wales. There is abundant evidence on every hand that this is not a National Parliament in the fullest sense, and that it cannot be so while it continues to sit in the capital city of one of the States.

**Mr. RILEY** (South Sydney) [3.30].—When I interviewed the Prime Minister in Sydney concerning the prospects of proceeding with the Federal Capital, Mr. Hughes informed me that the question of finance was the difficulty in the way. We are now informed, however, of a surplus of some £6,000,000. In view of that happy state of affairs, I hope the Government will make a full statement to Parliament next week regarding the Capital. New South Wales has endeavoured to carry out her share of the obligations entered into with the various States under the Constitution, and she should no longer be denied her own rights. I look to the Government to honour the agreement, and I believe this House will heartily support the proposal to complete the Capital at Canberra.

**Sir JOSEPH COOK** (Parramatta—Minister for the Navy and Acting Treasurer) [3.32½].—The first item of business for next week will have to do with the second reading of the Science and Industry Bill. After that, honorable members will probably be asked to consider the Navigation Bill, and following upon that item there should be an opportunity to further consider the Tariff.

Question resolved in the affirmative.

House adjourned at 3.33 p.m.

## House of Representatives.

Wednesday, 7 July, 1920.

**Mr. SPEAKER** (Hon. Sir Elliot Johnson) took the chair at 3 p.m., and read prayers.

### NAURU ISLAND AGREEMENT.

**Mr. MAKIN**.—I wish to know if the Prime Minister has any information that he can give the House concerning the Nauru Island agreement, and the finalizing of such transactions as were reported in the press of this State yesterday?

**Mr. HUGHES**.—What does the press say?

**Mr. MAKIN**.—This appeared in yesterday's *Argus*—

Referring yesterday to the cable message published in the *Argus*, stating that the Commonwealth had paid part of Australia's contribution to the purchase money under the Nauru agreement, the Acting Treasurer (Sir Joseph Cook) said that the Commonwealth had paid the full amount of its share.

I wish to know how much has been paid, and for how much we were involved under the agreement, and the advantages that Australia is to receive for the contribution that she has already made?

**Mr. HUGHES**.—All those things, and many more, the honorable gentleman will find set out in an admirable speech delivered by me in explaining the agreement to Parliament last year, and that speech I shall be glad to supplement later with another equally admirable should there have been any important omission.

## NAVAL POLLUTION OF PORT JACKSON.

**Mr. MARKS.**—I ask the Minister for the Navy if his attention has been drawn to the serious complaints of the yachting fraternity, and other persons who use the waters of Port Jackson, about the large amount of damage done to yachts, and the pollution of the foreshores of the harbor with quantities of oil and débris, consisting of broken cases, oars, boat hooks, and so on, surmised to have come from the ships of the Royal Australian Navy. Should this surmise be correct, will the honorable gentleman consider the possibility of collecting the bilge oil and débris in barges and taking it outside the Heads?

**Sir JOSEPH COOK.**—The matter was brought under my notice some time ago, when in Sydney, and I thank the honorable member for again calling my attention to it, because I had overlooked it. I shall have inquiries made, and, if our Navy is behaving in the manner complained of, we must try to do better.

## WOOL SALES: SKIN WOOL.

**Mr. HAY.**—Is the Prime Minister in a position to make a statement to the House regarding the following cable message which has just come from London:

### AUSTRALIA'S WOOL.

#### ATTITUDE OF MR. HUGHES.

#### "CLIMB-DOWN" ALLEGED.

(*Herald* Special Representative.)

London, 6th July.

The authorities here consider that Mr. Hughes, the Prime Minister of the Commonwealth, has climbed down by accepting the terms offered to him for the sale of Australian wool.

It is pointed out that between £16,000,000 and £17,000,000 is now available as Australia's share of the profits from the sale of the wool in Great Britain; but it is stated that not a penny can be paid until Mr. Hughes accepts the accounts presented several months ago, and others sent to Australia since then. On this point the British Ministry remains adamant.

**Mr. SPEAKER.**—Has the honorable member much more to read?

**Mr. HAY.**—Not very much. This is very important.

Further payments will not be possible until sales are effected. The Government is likewise inclined—

**Mr. SPEAKER.**—The honorable member will not be in order in reading the comments.

**Mr. HAY.**—Has the Prime Minister any statement to make concerning the cablegram?

**Mr. HUGHES.**—I had not seen the message until the honorable member showed it to me. I notice that it was sent to the *Herald* from its special representative in London, which fact, in itself, I think, carries its answer. No doubt, parts of the cablegram are true, though what they are, beyond the date and the sender's address, I am unable to say. I cannot say whether the British Ministry remains adamant, though I think that that would cause general surprise throughout the Empire. But, emphatically, it is not true that the attitude of the Government in regard to the payment of these moneys has changed. For the rest, the cablegram is not an accurate presentation of the facts. It does not, in any way, state the present position between the Government of the Commonwealth and the Government of Great Britain. In government in regard to the payment of half profits, I have been acting with, and in accord with, the representatives of the pastoralists, whom I met as late as last Friday. They are entirely in agreement with my views, and authorized me to make certain representations to the British Government on their behalf; which I have done.

**Mr. RODGERS.**—May I ask the Prime Minister if, as announced in today's papers, a definite basis for the conduct of the sale inside Australia of the coming wool clip has been arranged? If so, does it cover the transition period between the 30th June and the opening of the new sale, affecting, in particular, any wool that may be gathered from the fellmongering or scouring of the skins of sheep slaughtered in Australia? Yesterday, fat sheep dropped 3s. in the market because the fellmongers had withdrawn from the purchase of skins. That is due to the auction sales of skins in both Melbourne and Sydney having been cancelled.

**Mr. HUGHES.**—The honorable member's question divides itself naturally under several heads. The first is as to whether arrangements have been made for the sale of the new clip. It is true,

as stated in the press that as the result of a Conference held on Friday last between the representatives of the Wool-growers and the Wool Brokers Association, I was authorized to make the announcement to the British Government and to the public that sales of the new clip would begin about the 1st October next. I am unable to answer offhand the other portion of the honorable member's question. In part, it involves the point of what is and what is not included in the 1920-21 clip. Broadly, I may say that the same principle that governed the trade in pre-war days will decide that point now. All wool appraised up to the 30th June will, of course, fall automatically into the 1919-20 clip. All wool shorn before the 30th June, which was in bond or warehouse, or immediately available for shipment, will fall also into the 1919-20 clip. But wool, whether shorn before or after the 30th June, which was in bond or warehouse, but had not been appraised, and was not immediately available for shipment, will fall into the 1920-21 clip. That is the position as regards shorn wool, and the same broad principle would apply to skin wool. On the question of skin wool generally, as the fellmongers are to put their case before me, it is proper that I should defer any expression of opinion upon it until I have heard them.

**Mr. HIGGS.**—Has the Prime Minister any information as to the truth of the statement that British manufacturers are selling Australian wool to former enemy subjects? Is there any embargo on the sale of Australian wool in London in those directions?

**Mr. HUGHES.**—I saw several references to this matter in the press last week. I think it was stated there that the British Government had sold about £4,000,000 worth of wool to Germany, but this was subsequently contradicted. It was then, I think, stated that it was the British holders of wool who had sold the parcels to Germany. I am not in a position to speak as to the truth of either of those statements; but, for the information of the honorable member, the House, and the country, I may say that the Commonwealth Government, some months ago, took up the position that it did not consider that the British Government had a right to dispose of Australian wool other than by auction,

except after consultation with the Commonwealth Government, who were the trustees for the growers, as to the price thereof. Honorable members will recollect that some 450,000 bales had been sold at issue prices, which might be £40, £50, £60, or £70 per bale less than the real value. Against the recurrence of this we protested, and the British Government admitted the correctness of the position we took up. I am not in a position to say whether wool has been sold to Germany, either by the British Government or by private individuals.

#### WAR GRATUITY BONDS.

**Mr. MATHEWS.**—I am informed that large firms in Melbourne are cashing war gratuity bonds for holders who purchase about 30 per cent. worth of goods from them. I wish to know if that is legal; and, if it is, why small firms cannot do the same thing?

**Mr. HUGHES.**—I do not know whether the facts are as represented; but my recollection of the Act is that it does not permit such transactions. If the honorable gentleman will give me the names of any firms who are cashing the bonds, I shall be glad to look into the matter, with a view to protecting the soldiers; and if large firms have any privileges, I shall certainly see that these shall extend to small firms as well.

#### PRICE OF MUTTON.

**Mr. RILEY.**—Is the Prime Minister aware that there is a great shortage of sheep coming into the market for slaughtering purposes, and that on account of that circumstance the price of mutton has gone up? Will he take steps to prevent the export of mutton now in cold storage, and of beef also, in the interests of the people of the Commonwealth?

**Mr. HUGHES.**—Although the lot of the transgressor is hard, mine is much harder, because I am adjured by the honorable member for Wannon to do everything in my power to see that the producer gets the full value for his sheep, which obviously depends to a very large extent on whether the wool is to be put into the 1919-20 or 1920-21 clip; and at the same time I am urged by the honorable member for South Sydney to take such action as will insure cheap mutton

to the public, at a time when the pastoralists are holding back their sheep. I am not able to answer the honorable member's question off-hand. I do not know whether the high price of mutton is due in any respect to the export of mutton. I have no information to that effect. I should have thought that, when from 10,000,000 to 20,000,000 sheep had died through drought, and some through floods, that fact in itself would not be altogether a negligible factor in the increased price of mutton. I do not see any particular inducement being held out to the pastoralist to export mutton when the price for exportable mutton is at present certainly not more than half of what he can get here. I believe that in the sales last week lamb brought 9d. to 9½d. per lb. on the hoof, whereas the price for lamb under the British contract is 6½d. That being so, it would be far better for pastoralists to sell their sheep here than to export them. Why they should export mutton at 6½d. per lb. when they can get 9d. per lb. for it here, I cannot understand. Every one, however, must have a fair chance to present his case. If the fellmongers are suffering from any grievance which is resulting in the shortening of hands, if in the absence of wool men are being put out of employment—I shall have to consider the question on its merits.

#### WAR GRATUITY BONDS.

Mr. BLUNDELL.—Will the Acting Treasurer state whether the Government are cashing, or intend to cash, the war gratuity bonds of those of their employees who were members of the Australian Imperial Force?

Sir JOSEPH COOK.—The honorable member informed me that he was going to ask this question to-day, and I have an answer for him. These bonds will be cashed, under instructions from the Treasury, by the Department, or branch of a Department to which the officer is attached. These instructions are in course of preparation, and will shortly be issued. A special form of application will be provided.

Mr. WEST.—Will the Acting Treasurer state whether any steps have been taken in reference to the sale of war gratuity bonds to insurance companies, I

understand that the insurance companies have been fixing a premium which it is impossible for the soldiers to pay, and that the men are anxious to learn what other steps are to be taken in the matter.

Sir JOSEPH COOK.—It is to be regretted that the question is being brought up in this way. Already a great deal of unfair trafficking in these bonds is taking place, and I apprehend that it is the duty of the Government to try to stop it as far as possible.

Mr. HECTOR LAMOND.—Why not let bonds be sold at the market price in the open market; then the men will not be robbed.

Mr. TUDOR.—They are being robbed to-day. Some of the men are selling their bonds at 50 per cent. below their face value.

Sir JOSEPH COOK.—It is evident that this is a very thorny subject. I hope honorable members will believe that the Treasury is trying to deal with it firmly and as equitably as possible. I can say no more.

#### SPA CONFERENCE.

Mr. CUNNINGHAM.—I desire to ask the Prime Minister whether, in the absence of the honorable member for Balaklava (Mr. Watt), the Government have made any arrangements for the representation of Australia at the Spa Conference?

Mr. HUGHES.—No arrangement has been, or can be made. The Spa Conference sits almost immediately.

#### WHEAT POOL.

Mr. RICHARD FOSTER.—Will the Prime Minister ask the Premiers of the wheat-growing States whether they will be prepared on behalf of their States to state definitely when they attend the adjourned Conference of Premiers whether they desire a Wheat Pool for the coming year so that the matter may be finally dealt with?

Mr. HUGHES.—I could ask them, but unless they were advised beforehand they could hardly commit themselves.

Mr. TUDOR.—They have no authority to give an answer to such a question.

Mr. HUGHES.—The State Premiers are meeting here to consider the definite questions of immigration, the Murray,

waters, uniform railway gauge, and one borrower and one tax-gatherer for Australia, which have been before them on many occasions, and twice in the present year. They have had an opportunity to discuss those matters with their respective Governments, and are coming here to give me answers to the proposals placed before them. Since the Conference meets on Friday next, it is perfectly clear that they could not discuss the question of the Wheat Pool beforehand and supply me with an answer on that date. I am given to understand that some of the States are prepared to consider favorably the formation of a Wheat Pool, while others are not. Even if they were that would not clear up the matter, because the position created by the voluntary Pool and the Commonwealth's guarantee in regard to all wheat has to be faced. I am unable to say how the Commonwealth is to deal with the subject matter for which that guarantee has been given, without machinery whereby that control can be exercised. That is the point that is worrying me. I said by way of answer to the honorable member for Wimmera (Mr. Stewart) the other day, that the position has been complicated by the quite definite pledges given at the last general election that no one would be forced to come into the Pool. Those pledges, however, do not affect the States. The States themselves can act, and if they did the Commonwealth would consider itself quite free to act in conjunction with them. The position in regard to the voluntary Pool is not affected by the attitude taken up by the States in regard to wheat in their own territories.

*Later:*

**Mr. RICHARD FOSTER.** — The Prime Minister has missed the object of my question. My desire is that he will ask the Premiers at the adjourned Conference, or at the earliest possible moment, to state on behalf of the wheat-growing States whether or not they desire the Pool.

**Mr. HUGHES.** — I will ask them.

#### KEROSENE AND BENZINE.

**Mr. RILEY.** — In view of the great shortage in kerosene and benzine, has the Minister for Trade and Customs any

statement to make as to the arrival of shipments that will be likely to relieve the pressure.

**Mr. GREENE.** — I have no information at the present moment, but if the honorable member will give notice of his question I will endeavour to obtain particulars for him.

#### SMELTING AGREEMENT.

**Mr. CONSIDINE.** — Is the Prime Minister yet in a position to supply me with an answer to a question that I asked him some months ago when he promised to furnish me with a reply as to whether he will lay on the table of the House a copy of the agreement made between the Broken Hill Mining Companies and the British Board of Trade or the Imperial authorities? Will the right honorable gentleman cause a copy of that agreement to be placed on the table?

**Mr. HUGHES.** — I was under the impression that, having made inquiries, I had replied to the honorable member that the terms of the agreement were not yet completed, and that, consequently, it could not be laid on the table. I shall ascertain whether I did give that reply, and shall also make further inquiries. If there is an agreement, I will endeavour to see that it is laid on the table. If there is not I will inform the honorable member.

#### CASHING OF COMMONWEALTH NOTES.

**Mr. WEST.** — I wish to ask the Minister in whose Department the matter lies what may, perhaps, be a legal question. It is related to the cashing of Commonwealth bank-notes. I wish to know whether, if a person tenders a Commonwealth bank-note to any bank he can demand cash for it? The reason I ask the question is that because last week one of the banks in Sydney refused to cash a Commonwealth bank-note.

**Mr. HUGHES.** — I will answer the honorable member's question. I happen to have at this stage of the month a note, and I find that there is printed upon it the statement—

The Treasurer of the Commonwealth of Australia promises to pay the bearer One pound in gold on demand at the Commonwealth Treasury at the Seat of Government.

The Seat of Government for the time being is here, and the bank to which the honorable member refers was quite in order in refusing to cash the note.

#### WOOL VALUATION.

##### POSITION OF WOOL DELAYED IN TRANSIT.

Mr. LIVINGSTON.—I wish to know whether wool delayed in transit from the country, and not ready for shipment before June, is included in the new clip, or is valued under the old appraisement?

Mr. HUGHES.—Solomon is dead. I think his reputation would have suffered if he had been given a job like mine. In answer to the honorable member I have to say that the inclusion of the wool in the old or new clip would depend upon the circumstances. What was the position before the war? If a man commenced to shear at Cooper's Creek at the end of May, and if the country were flooded, then under the conditions existing twenty years ago he could never have got that wool down to port in time for shipment on the 30th June. In that case it would always be treated as in the next year's clip. I am not attempting to decide particular cases, but I am going to say that the principle that obtained before the war obtains now. It will not apply to a man who deliberately holds his wool back with a view to getting it into the new clip. The question was raised on Friday last, and I will say that if a man has *bonâ fide* been unable to get his wool down to port so that it might be available for shipment or appraisement, or to be placed in bond or warehouse by the 30th June, he is very properly entitled to have it considered as falling into the new clip. Whether the delay in the transit of the wool is due to drought or floods is not material. The question is whether the geographical, climatic, or other circumstances of this great country are such at any time as to prevent the grower getting his wool down in a certain time. If the grower is in that position the wool goes into the new clip.

#### WORKING WEEK.

##### HOURS OF LABOUR.

Mr. RICHARD FOSTER asked the Prime Minister, *upon notice*—

In view of the fact that certain applications for the establishment of a forty-four hours

week are before the Commonwealth Arbitration Court, will the Government consider the advisableness of a comprehensive consideration of this question by a competent special expert Commission?

Mr. HUGHES.—Yes; the matter is now receiving the attention of the Government.

#### ARSENAL BUILDINGS, MARIBYRNONG.

##### EXEMPTION FROM PUBLIC WORKS COMMITTEE ACT.

Mr. GREGORY asked the Minister representing the Minister for Defence, *upon notice*—

1. Is it a fact that a notification was published in the *Commonwealth Gazette* No. 27 of 11th March, 1920, exempting from the operation of the Commonwealth Public Works Committee Act 1913-1914 the proposed construction of certain buildings known as the Arsenal Research Department buildings at Maribyrnong, Victoria?

2. Is it a fact that tenders have been invited for the erection of these buildings by notice published in the *Commonwealth Gazette* No. 51 of 10th June, 1920?

3. Is the proposal under consideration to erect a further block of administrative buildings in connexion with the proposed Arsenal; and, if so, what is the estimated cost of this proposal?

4. Is it a fact that the erection of these two blocks of buildings is likely to commit the Commonwealth to the location of the Commonwealth Arsenal at Maribyrnong, and involve the country in a very large expenditure, probably running into hundreds of thousands of pounds?

5. If so, is it the intention of the Government to refer this matter to the Parliamentary Standing Committee on Public Works before committing the Commonwealth to further expenditure in connexion with Arsenal matters?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1, 2, and 3. Yes.

4. The erection of these two blocks of buildings at Maribyrnong does not commit the Commonwealth to locating all Arsenal factories at Maribyrnong. The two blocks of buildings are being erected to house the Administrative Research and Inspection Staffs for Munitions Supply, and will not involve the country in a larger expenditure than the cost of the erection of the buildings, which is, approximately, £80,000, and the maintenance of nucleus staffs. The experience gained in the late war makes it imperative to strengthen this side of our Defence activities, and these branches of the Service are quite independent of the erection of further munition works.

5. The Government intends to submit to Parliament in the near future its proposal in connexion with additional Arsenal factories, and the intention of the Government is to refer the works to the Parliamentary Standing Committee.

## PUBLIC SERVICE.

### RESULTS OF EXAMINATIONS.

Mr. RILEY (for Mr. BLAKELEY) asked the Prime Minister, *upon notice*—

1. How many clerical positions have been filled by those candidates who passed the Commonwealth Public Service clerical examination held on the 14th and 15th November, 1918, in New South Wales?

2. How many still remain on the registered list for appointment?

3. How many clerical examinations have been held since November, 1918, for persons outside the Service, and how many appointments, have been made from such lists of successful candidates?

4. How many clerical examinations have been held for certain classes of officers within the Service since November, 1918, and how many appointments have been made from these lists?

5. How many clerical examinations have been held for returned soldiers since November, 1918, and how many have been appointed to clerical positions from such lists?

6. How many returned soldiers have been placed in permanent clerical positions exclusive of any examinations since November, 1918?

7. Does the Government intend to appoint the remaining registered candidates who qualified in November, 1918, and whose appointments have been suspended, before the date of expiration, viz., 5th August, 1920?

8. If not, will the Government extend the time for eligibility of appointment to all the remaining successful candidates, to give them an opportunity of appointment?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

1. Five.

2. Sixteen.

3. One, held in conjunction with the intermediate examination of the Department of Public Instruction in 1919. No appointments have been made.

4. Three, to enable messengers in training and acting telegraphists to qualify for appointment as telegraphist or clerical assistant. Two appointments have been made.

5. One, held on 30th June and 1st and 2nd July, the results of which are not yet available.

6. Twenty-one.

7 and 8. The Acting Public Service Commissioner has extended the eligibility of successful candidates for a period of three months from 5th August, 1920. The matter of further extending their eligibility will then be again considered in the light of existing circumstances.

## AUSTRALIAN IMPERIAL FORCE.

### FORM OF DISCHARGE.

Mr. GREGORY asked the Minister representing the Minister for Defence, *upon notice*—

Whether he will endeavour to obtain for all members who enlisted in the Australian Imperial Force, or for the parents of those who lost their lives, a discharge showing the theatre or theatres of war in which they had served, and any honours or promotions they may have won?

Sir GRANVILLE RYRIE.—The answer to the honorable member's question is as follows:—

It is not proposed to amend in the direction indicated by the honorable member the form of discharge from the Australian Imperial Force.

An officer is not issued with a certificate of discharge, but receives a form of commission showing date of appointment to commissioned rank.

Every member of the Australian Imperial Force is officially notified of all honours, awards, or "mentions" granted. In the case of those who have lost their lives, official notification is forwarded to the next of kin.

In addition to the notification issued by the Defence Department, the War Office, London, is issuing a certificate in respect of each mention in despatches. These certificates are prepared on parchment paper measuring 8½ by 7½ inches. They bear the Royal Coat-of-Arms, and are signed, under command of His Majesty the King, by the Secretary of State for War. These certificates, which are quite suitable for framing, are being despatched as soon as received from the War Office.

It is anticipated that when clasps are available for the British War Medal, a clasp will be issued for each theatre of war in which the recipient of the medal served.

## ANZAC TWEED.

### PERSONS ENTITLED TO PURCHASE.

Mr. LAZZARINI asked the Minister representing the Minister for Defence, *upon notice*—

Whether it is necessary for returned soldiers to be members of the Sailors and Soldiers' Imperial League of Australia before they can participate in the advantages connected with the purchase of Anzac tweed?

Sir GRANVILLE RYRIE.—The answer to the honorable member's question is as follows:—

As the honorable member mentions Anzac tweed, it is assumed that the hand-woven tweed made under the control of the Anzac Tweed Trust by returned soldiers is alluded to. This material, when available, is sup-

plied to any tailor on application to the Secretary, Anzac Tweeds, 346 Collins-street, Melbourne.

Quite apart from Anzac tweed, material for civilian suits is being made at the Commonwealth Government Woollen Mills, North Geelong, for sale to returned sailors and soldiers only. The Returned Sailors and Soldiers' Imperial League of Australia in the several States are the contractors for the distribution of this tweed. Priority of application is the governing factor in ascertaining the order in which demands are to be met, irrespective of whether or not the applicant is a member of the Returned Sailors and Soldiers' Imperial League of Australia.

### EMIGRATION OF RUSSIANS.

Mr. CONSIDINE asked the Minister representing the Minister for Defence, upon notice—

Whether he will inform the House as to whether or not citizens of the Russian Socialist Federative Soviet Republic now resident in the Commonwealth are free to depart from the Commonwealth?

Mr. POYNTON.—So far as the Australian Government is concerned, there is nothing to prevent Russians from leaving Australia. The Home and Territories Department, or State Collectors of Customs on their behalf, will issue permits which will serve instead of passports as authority for them to leave Australia. No charge is made for these permits. It is understood, however, that shipping companies are reluctant to convey Russians to ports abroad unless they have definite assurances that Russians will be permitted to land at those ports.

### INDUSTRIAL CONFERENCE.

Mr. MAKIN asked the Attorney-General, upon notice—

Whether the Government intends proceeding with the Industrial Conference concerning which Trades and Labour Councils have received invitations to be represented?

Mr. HUGHES.—Yes.

### COCKATOO ISLAND DOCKYARD.

Mr. MAHONY asked the Minister for the Navy, upon notice—

1. Are any alterations to be made in the control of the Naval Dockyards, Cockatoo Island?

2. If so, will the Minister state the nature of such alterations?

Sir JOSEPH COOK.—The matter is now under consideration.

### TAXATION DEPARTMENT PROMOTIONS.

Mr. BURCHELL asked the Treasurer, upon notice—

1. Whether it is a fact that two officers in the Taxation Department have recently been promoted with large increases in salary, viz., one from £336 per annum to £700 per annum, the other from £260 per annum to £750 per annum?

2. If the foregoing is correct, what special claims had these officers?

3. Were either, or both, of them returned soldiers?

4. Did returned soldiers of the Taxation Department have an opportunity of applying for these positions?

5. If not, why not?

Sir JOSEPH COOK.—No officer has been promoted in the Taxation Department from a salary of £336 per annum to £700 per annum, or from £260 per annum to £750 per annum.

### QUEENSLAND LIGHTHOUSES.

Mr. BAYLEY asked the Minister for Trade and Customs, upon notice—

1. Whether it is a fact that prior to the outbreak of war Commander Brewis recommended that an additional thirty lights and three new lightships should be placed on the Queensland coast?

2. If so, has any action been taken by the Government to give effect to Commander Brewis' recommendations?

Mr. GREENE.—The answers to the honorable member's questions are as follow:—

1. The statement is approximately correct.

2. The lighthouse service commenced in June, 1913, and, notwithstanding the war, has established eight additional aids to navigation in Queensland, and have effected improvements to existing lights, the gross total expenditure being over £100,000. In addition, a lightship has been built for Makara Shoal, and this will be established at the first opportunity.

### PASSPORT FEE.

Mr. CONSIDINE asked the Minister for Home and Territories, upon notice—

What fee or charge is made by the Commonwealth in connexion with the issuing of a passport to persons desirous of going abroad?

Mr. POYNTON.—The answer to the honorable member's question is as follows:—

Ten shillings is charged for a passport indorsed for travel abroad. After two years a passport must be renewed. A fee of 2s. is charged for such renewal. A fee of 2s. is charged for indorsements for further travel.

## PAPERS.

The following papers were presented:—

Northern Territory—Correspondence relating to Report of Royal Commission.

Statistical Conference (British Empire)—Report and Resolutions accompanied by Explanatory Memorandum and Observations by the Commonwealth Statistician.

Ordered to be printed.

Papua—

Ordinance of 1919—No. 10—Deputy Judges (Appointment).

Ordinances of 1920—

No. 4.—Supplementary Appropriation 1918-19.

No. 5.—Supplementary Appropriation (No. 1) 1919-20.

Public Service Act—Appointments and Promotions—

H. G. Connell, Department of Works and Railways.

F. K. Steedman, Prime Minister's Department.

## SECOND PEACE LOAN.

Sir JOSEPH COOK (Parramatta—Minister for the Navy and Acting Treasurer) [3.42].—(*By leave.*)—The war loan expenditure of the Commonwealth has practically absorbed the war loans already raised, and it becomes necessary to raise further money to meet expenditure in the financial year just beginning. The money will be used principally to pay for settling soldiers on the land, for the building of war service homes, for the repatriation of soldiers generally, and for certain small outstanding liabilities for carrying on the war. Inquiries have been made in London with a view to ascertaining whether a loan could be raised there. The information received from my late colleague before his unfortunate resignation, and since from other sources, shows that, owing to the very large investments in industrial and commercial ventures and other causes, the amount of money available has recently been considerably curtailed, and lenders are asking for such rates of interest as practically prohibit the Commonwealth going on the London market. The loan of £2,500,000 just put on the market in England by the New South Wales Government at 6½ per cent. at par was only applied for to the extent of 44½ per cent. by the public, 55½ per cent. being left in the hands of the underwriters, while the rates being paid for high class British Treasury

Bills or loans in England are up to 7 per cent. A condition of affairs even more acute exists in America. I have heard on good authority that the New York financiers quoted recently a rate of 7½ per cent. to a Government with a term of fifteen years. It is very doubtful if money can be obtained in America at the present time on the highest class security for less than 8 per cent.

The Commonwealth Government, while realizing that in the circumstances it is necessary to reduce borrowing as far as possible, has certain definite obligations to the returned soldiers and in respect of the war which can be met out of loans only. The cost of land settlement of soldiers has been much greater than was anticipated, and, notwithstanding efforts to reduce the cost of this phase of repatriation work, heavy expenditure in this direction will continue for some considerable time. The cost of settling the soldiers varies greatly in the States, and my colleague is at present engaged with the State Lands Ministers in reviewing the whole question from this stand-point, and we are hopeful of securing some modification of these conditions. Present information indicates large expenditure on war service homes during this financial year.

Of the war gratuities, which amount to nearly £30,000,000, the Government has undertaken to pay special classes in cash, to meet which the banks have agreed to provide about £6,000,000 on the understanding that the Commonwealth will raise and repay the money at the earliest opportunity. In addition, the Government will redeem £10,000,000 of the war gratuity bonds before the end of this financial year. That sum must also be raised, unless the German war indemnity, which has been specially earmarked for the purpose, becomes available.

These obligations must be met, and the Government is, therefore, compelled to approach the Australian people with the view of raising a loan of £25,000,000. This loan it is proposed to call the "Second Peace Loan."

The nominal rate of interest will be 6 per cent. per annum, but a bonus to

be given with the first interest payment will make the effective rate about £6 1s. per cent. per annum on the average for the whole period of the loan. The effective rate of the last loan was £5 6s. The rate of this loan is, therefore, roughly,  $\frac{1}{4}$  per cent. higher than the last. The principal will be repayable at par on 15th December, 1930. Subscriptions to the loan will close on 6th September next, and instalments will be payable as follows:—

- 10 per cent. to be lodged with application.
- 20 per cent. on 4th October, 1920.
- 20 per cent. on 1st November, 1920.
- 25 per cent. on 6th December, 1920.
- 25 per cent. on 5th January, 1921.

Interest will be subject to Commonwealth taxation, but will be free of State income tax.

To raise a loan on more liberal terms tends to depress the value of stocks already held, and it is but fair to guard against this as much as possible. We have accordingly provided that subscribers to the new loan will have the privilege of converting at face value an equal amount of stock or bonds which they hold in connexion with previous War Loans. This concession is a valuable one, and, it is expected, will induce many persons holding stock and bonds in previous War Loan issues to freely subscribe to the new one.

The terms of the loan, although still below the price of loans elsewhere, are the best ever offered by the Commonwealth in Australia, and are such as to give a good return to persons having money for investment. The higher rate of interest offered for a long term will, it is believed, be attractive to the investing public. As the payment of instalments is spread over a period of five months, the Government hopes that farmers and wool-growers who receive the value of their produce during that time will, with the assistance of the banks, be able to contribute liberally to the new loan. As in previous occasions, the Government is prepared to help persons who have not the ready money to meet the instalments of the loan as they fall due, and arrangements will be made with the Australian banks to make advances at a rate of 5 per cent. per annum to customers who have a good prospect of paying the money

within eighteen months. Under these arrangements, the banks will advance up to 90 per cent. of the bonds subscribed for, and no security other than the bonds themselves will be required.

The Government will arrange, as was done in the case of previous loans, for the appointment of Committees to assist in obtaining subscriptions. These bodies have materially assisted in the past; their efforts have been greatly appreciated; and their work in connexion with the forthcoming loan, it is expected, will greatly contribute to its success.

As before stated, the new loan is required mainly for the expenses of repatriation and the Government confidently looks to the generous people of Australia to voluntarily subscribe the sum which is necessary to meet the obligations of the Commonwealth. The terms offered to subscribers to the new loan are in themselves very attractive as an investment. Apart from that aspect of the matter, however, the Government has obligations to the soldiers which must be fulfilled. This can only be done by the whole-hearted support of the people. During the war, while the issue was still in doubt, the people of Australia provided the means asked for by the Government. Victory has been secured largely by the efforts of those whom we are bound in honour to restore to peaceful and prosperous occupations in their own land for the freedom and security of which they fought.

To raise the money is an imperative necessity. The privileges of citizenship carry with them corresponding duties. The obligations of the Commonwealth to the soldiers to whose valour and sacrifice we owe our lives, our liberties and all that we have, must be honoured. To invest in this loan is both good business and good patriotism; and every citizen should, as far as his means permit, do his duty by contributing to it. We much prefer the voluntary method of raising the money, but if that method fails to provide what is required, it will be incumbent upon us to adopt other means. It must be made perfectly clear that those who endeavour to evade their duty cannot be permitted to do so.

Now, there are one or two observations which I would like to make upon the statement I have just made. The first has to do with the rate

of interest. The nominal rate offered by the Commonwealth is slightly higher than that paid by the States for recent issues. It is necessary to offer a higher nominal rate because the States' loans are free of both State and Commonwealth Income Tax, whereas the Commonwealth loan is subject to Commonwealth taxation, which is on a much higher scale than that imposed by the States. The governing factor in connexion with the rate of interest is the price of money all over the world. This has gone up very considerably. One has only to examine the returns upon bonds and stocks of various countries, and more particularly in London, as well as in Australia, to see just what it means. I have before me a list of stocks in London, together with particulars concerning their yield to the investor at the present time. For instance, our Commonwealth 5½ per cent. stock, redeemable in June, 1927, yields altogether £6 18s. per cent. at present. Other stocks, of the British Government, are yielding £7 2s. 6d., and £7 7s. 6d. Victorian 3½ per cent. inscribed stock, redeemable in 1923, is giving a rate of interest amounting to £7 12s. 3d. at present in the London market, while other stocks go even higher. I notice, as a further example, that City of Sydney 4 per cent. stock is returning in London now £7 15s.

I have another statement before me, taken from the *Times* of 7th May last, giving the prices for national war bonds. Some of them, redeemable in 1922, at a redemption price of £102, and with a present price of £96 10s., are yielding £7 6s. per cent. Reference to the information before me will inform honorable members that other stocks are yielding similarly. There is quite a list of them. Our own stocks here are yielding in much the same way. For instance, our 4½ per cent. bonds, redeemable in 1925, are yielding £6 7s. 4d. on the market. Our 5 per cent. stock, redeemable in 1923, is returning £6 19s. 11d. Our 5 per cent. bonds, redeemable in 1927, are quoted at £6 14s. 7d.

**Mr. TUDOR.**—That is, if you have the money now to buy those bonds at the rate at which they are selling on the market; but if you put the money in you are not getting anything like that.

**Sir JOSEPH COOK.**—We have to recognise the main fact that the price of

money has been raised very considerably and, accordingly, that we are bound to make our interest rate slightly higher.

There is another matter which I should mention, and that is the subject of provision in regard to old stocks. I find that in the Old Country they are converting some of their floating debt into Treasury Bonds, the currency varying from five to fifteen years; and the inducements offered to the public to convert these moneys into fixed bonds are very remarkable. I have before me the latest prospectus, issued by the Imperial Treasury at the time. It is for the redemption of unfunded debt of early maturity. Honorable members will recollect that the Imperial authorities have to deal with about £1,300,000,000 sterling of unfunded debt, and they are making an effort to fix that debt in order that they may know exactly what is the financial outlook for the immediate future. This is what the prospectus says—

The bonds will carry interest at the rate of 5 per cent. per annum, payable half-yearly on the 1st May and 1st November, and, subject to the conditions stated below, will carry additional interest payable during the period ending 1st May, 1925, as follows:—

If and when during any half-year ended 1st May or 1st November, the Treasury Bills issued to the public were sold to them at an average rate of discount (as certified by the Bank of England) exceeding 5½ per cent. and under 6½ per cent. per annum, additional interest will be payable on the interest date next succeeding such 1st May or 1st November at the rate of 1 per cent. per annum.

If and when such average rate of discount was 6½ per cent. per annum or over, at the rate of 2 per cent. per annum.

The British Government, therefore, is actually paying up to 7 per cent. for these bonds, redeemable in from five to fifteen years.

**Mr. HECTOR LAMOND.**—What is the term of our proposed new loan?

**Sir JOSEPH COOK.**—The term is ten years. We have about £88,000,000 falling due in 1927, and that, I suggest, is about as much as we can expect to convert, even in the most favorable circumstances. My advice is that it would be better to extend the proposed new loan over a little longer period. It is much more convenient, of course, to convert our loans in big sums if the market be favorable; but, since we cannot guarantee future market conditions, it is deemed prudent to provide for the conversion in

1927 of the sum I have mentioned, leaving the proposed new loan to a later date. Referring again to the proposal of the British Government, I should like to read another clause of the prospectus—

The first interest payment, payable 1st November, 1920, will represent in the case of each bond interest to that date from the date on which the application was lodged and payment made for the bond, and will include additional interest at the rate of 2 per cent. per annum.

This is provision for a bonus of 2 per cent. in addition to a possible rate of 7 per cent., and it indicates, I think, the difficulties which financiers all over the world are experiencing in endeavouring to place the public debt of a nation on a stable basis. There can be no doubt that the British Treasury would not pay these enormous rates did they not feel the necessity to make the financial outlook secure in the immediate future. They cannot afford to have a huge floating debt, and so they are prepared to pay extraordinarily high rates of interest, in order to rid themselves of this financial menace which otherwise would be hanging over them.

Mr. WEST.—Can the Minister say what steps the British Government is taking to wipe out the debt?

Sir JOSEPH COOK.—As the honorable member is well aware, the British Government is doing a very great deal to reduce it.

Mr. WEST.—More than your Government has the courage to attempt.

Sir JOSEPH COOK.—I suggest that my honorable friend should await the Budget statement. Then, perhaps, he will find scope for criticism of proposals which the Government will submit regarding this and other matters. Meantime, I should like to say a few words about repatriation.

Mr. J. H. CARTS.—Is the British Government raising this money in England?

Sir JOSEPH COOK.—Yes; and it is making a great effort to free itself of troubles arising from its obligations in America.

Now a word or two about repatriation. The position, on the whole, is fairly satisfactory, though, as I have already pointed out, we have, in some cases, to pay extraordinarily high prices

for the land on which to settle our soldiers. In some States, where land is cheap, the problem is an easy one; but the position is different in other States where land values are appreciably higher, and its availability is very much less.

Mr. FENTON.—The Government has no oversight over this matter.

Sir JOSEPH COOK.—The only oversight which the Government can exercise is in regard to finance.

Mr. FENTON.—Yes. You have to pay when the States send in the bill.

Sir JOSEPH COOK.—We pay very willingly; and I hope we shall always do so, since there is very good security behind all money ear-marked for this purpose. But I shall deal with that matter shortly in a statement on the general loan situation. The total number of soldiers already settled upon the land in the Commonwealth is well over 17,000.

Mr. GABB.—How many have had to go off the land in order to allow soldiers to settle on it?

Sir JOSEPH COOK.—Of course, troubles will arise in connexion with this and other matters; and we can only seek to remedy difficulties as they arise.

I should like now to say a few words upon the general loan situation, and then I shall have finished.

The public debt of the Commonwealth on the 30th June, 1920, in respect of war services was £335,300,000. That sum is comprised of the following items:—War loans raised in Commonwealth, £219,800,000; deduct repurchases and securities surrendered in payment of succession duties, £7,040,000; outstanding debt in Australia, £212,760,000; loans from Government of United Kingdom, £49,080,000; indebtedness to Government of United Kingdom for maintenance, transport, and equipment of Australian Imperial Force, £37,100,000; indebtedness to British Admiralty for transport of troops, victualling, repairs, and other services for Australian Fleet, £6,100,000; accrued deferred pay, Australian Imperial Force, to 30th June, 1920, £260,000; war gratuity (estimate), £30,000,000. Gross war debt, £335,300,000.

The whole of that amount, however, has not been spent on active naval and military operations during the recent war. A sum of £22,000,000, representing expenditure on realizable assets, should be deducted, leaving a net war debt of £313,300,000. The £22,000,000 is made up as follows:—Indebtedness of States for loans for soldier land settlement, wheat silos, &c., to be refunded, £12,100,000; capital expenditure on war-service homes to be refunded, £4,900,000; present capital value of ships purchased or constructed out of war loan moneys (omitting wooden ships), £4,000,000; other recoverable expenditure charged to war loan, £1,000,000. Total, £22,000,000. The expenditure for repatriation is of a character much different from that required for the active conduct of the war, inasmuch as the land settlement of soldiers is a reproductive work, creating substantial assets equal to, if not greater in value than, the expenditure. Similarly, assets are created in building war-service homes. In both cases the money spent—really advanced—by the Commonwealth will be repaid with interest. I think it is time we began to emphasize this aspect of the case. Up to date the expenditure by the Commonwealth for land settlement, war service homes, and silos is £17,000,000. Several of the States have, during peace times, spent large sums on similar services. Shipbuilding and the purchase of ships which, during the war, were charged to War Loan, have also placed in the hands of the Commonwealth valuable vessels which have earned large profits for the revenue.

The amount shown above as owing to the United Kingdom, apart from the funded debt, totals £43,200,000. That figure does not include a temporary advance of £2,500,000 from the British Government to meet London payments, nor an amount of £4,800,000 owing for interest. The latter sum has been placed in a Trust Fund in the Treasury for payment when opportunity offers. Both sums will be paid as soon as the cash can be conveniently placed in London. As honorable members know, our great difficulty is to shift money from London to here and from here to London. It is that which is causing a great deal of our difficulty at the moment: it is not that the money is not available, but that there

is difficulty in moving it between the two places.

**Mr. RICHARD FOSTER.**—Why should expenditure on silo construction be included in that category?

**Sir JOSEPH COOK.**—I take it that the honorable member wishes to know why that expenditure should be regarded as a war obligation?

**Mr. RICHARD FOSTER.**—Yes.

**Sir JOSEPH COOK.**—I do not know that I can give any adequate reason just now. I suppose the money had to be found while the war was in progress, and it came out of war loan money, though, of course, it will be accounted for separately, and placed in a different category. I think I am right in calling attention to the deductions which should be made from our total war obligations, because all this expenditure cannot be called dead-weight war debt.

**Mr. RICHARD FOSTER.**—The inference is that the money is regarded as war expenditure because it was spent for the preservation of wheat which belonged to the Imperial Government.

**Sir JOSEPH COOK.**—Our dead-weight war debt is very much less than the total of the loans raised during the war. Loans were raised for other purposes than the mere dissipating of the moneys in war operations. All the item of £22,000,000 should come back to us with interest, and help the revenues of Australia, while assisting in the settlement of the country. This expenditure stands on the same footing as the expenditure on the ordinary settlement schemes of the State Governments; all we are doing is extending those schemes, and perhaps varying the terms a little, though not so very much. Therefore, it seems to me we should not be doing ourselves or the country justice if we included all this expenditure in our war obligations; it should rather be regarded as expenditure during the currency of the war for settlement and housing purposes.

As already stated, the new loan is required mainly for the expenses of repatriation, including war service homes—in short, for reproductive services. There is still a sum of about £3,000,000 required to meet certain outstanding accounts in connexion with the Expeditionary Force and Australian Fleet, and this sum should be added to the net war debt of

£313,300,000 previously mentioned. The final net war debt may therefore be set down at £316,300,000.

Mr. J. H. CATTS.—Is that after deducting the expenditure on developmental works?

Sir JOSEPH COOK.—Yes; which in their nature do not represent dead-weight war debt. After the new loan has been raised, no further loans will be floated for ordinary war purposes. It may, however, be necessary to raise further money for repatriation, but I hope this may not be for any large amounts. At any rate, for purely war purposes, the last of the loans has really been raised. I hope that the further money that may be necessary in the future for repatriation will not be very much more than that I am now asking the country to find. Our obligations are great, but our country is great and prosperous, notwithstanding the criticisms made from time to time. I am the very last to take a too optimistic view of our liabilities and obligations. I have stressed these far too often. But when we have the fact that our revenues for the year are millions more than we anticipated, surely we may congratulate ourselves without indulging in anything which the newspapers seem to regard as utterly unjustifiable. I say, again, that our obligations are tremendous, but, at the same time, our country's financial position is thoroughly sound. No doubt all that is needed is proper prudence—the exercise of care in the spending of the moneys raised from time to time. So long as we proceed along these lines, we may face the future with hope and confidence.

Mr. TUDOR.—How much are you asking for—£25,000,000?

Sir JOSEPH COOK.—I am not asking the House for any amount at the present time, but simply making a statement.

Mr. TUDOR.—Have you the necessary authority to raise the whole of the £25,000,000?

Sir JOSEPH COOK.—Yes; and for more than that.

Mr. AUSTIN CHAPMAN.—Will there be a compulsory provision in the Loan Bill?

Sir JOSEPH COOK.—I hope and believe that the terms will enable us to gather in this loan without the aid of compulsion, but, at the same time, it must be made clear that the money has to be raised, and if we cannot get it by one method we must adopt another.

These are obligations to the soldiers which cannot be disregarded, and I hope the country will enable the Government to discharge them to the full without the necessity for compulsion.

Mr. FENTON.—What is the annual interest bill on the Federal loans?

Sir JOSEPH COOK.—I expect that when the total is made up, our interest bill in the future will not be far short of £20,000,000.

Mr. TUDOR.—Is it not over that amount now?

Sir JOSEPH COOK.—No. But, after all, this is not the time for the discussion of details, and I shall be prepared to give any information required later on. As a final word, I wish to say that, on the occasion of the last loan, there were Committees throughout the length and breadth of Australia which assisted us in a wonderfully effective way to the realization of our objective. I am hoping to reconstruct those Committees, and that they will afford us the same patriotic help they did before. I now appeal to every honorable member to help us to the extent of his power, his capabilities, and his opportunities to raise this money for the benefit of the soldiers of Australia.

Mr. TUDOR (Yarra) [4.20].—(By leave)—I think that the course adopted by the Acting Treasurer this afternoon is a most irregular one.

Mr. GREENE.—Will the honorable member be long in making his statement?

Mr. TUDOR.—I intend to occupy only a few minutes, but there is nothing to prevent any other honorable member from then asking leave to make a statement, and that is what I am protesting against.

Sir JOSEPH COOK.—I took the usual course.

Mr. TUDOR.—I think that the Acting Treasurer has gone farther than any previous Treasurer has done in making the announcement which he did concerning the proposed loan. I have no doubt that if every other honorable member desired to make a statement in regard to this matter, the House would, within reason, grant him leave to do so.

Mr. GREGORY.—No, it would not.

Mr. TUDOR.—Then, I protest against certain individuals being favoured. Personally, I ask for no favours. The Treasurer has made a statement setting forth

not only what he proposes to do in connexion with the forthcoming loan; but comparing the conditions under which it is to be raised with those which governed previous loans, and pointing out the prices at which debentures in those loans can be purchased to-day. His figures in this connexion are, I think, fallacious, because although one may perhaps purchase stock at, say, £91, bearing interest at 4½ per cent., and the Treasurer may work out the return thus obtained at £6 7s. 6d. per cent. per annum—

Sir JOSEPH COOK.—I did not say that at all. The honorable member is leaving out of consideration the question of redemption.

Mr. TUDOR.—I know that many persons who have invested in previous loans, and who have not sold a single bond or debenture, are not receiving anything like the amount of interest quoted by the Acting Treasurer. They are getting 4½ per cent., or possibly 5½ per cent., return upon their investments when everything is taken into consideration.

There is also another matter in respect of which I desire to make a protest. Upon Friday last I asked the Acting Treasurer whether State loans were free of Federal income tax, and he replied that they were. I protest against any person having to pay income tax upon the interest derived from investments in Commonwealth loans when he is not called upon to pay Federal income tax upon interest accruing from investments in State loans.

Mr. J. H. CATTS.—The public know the terms upon which a loan is to be floated before they subscribe to it.

Mr. TUDOR.—But since a number of these loans were floated, a progressive income tax has been made operative in this country. To-day the position is that an individual with a very moderate income of, say, £200 or £300 per annum, has to pay Federal income tax at about 3d. or 4d. in the £1, whilst a person with an income of £5,000 or £6,000 per annum is required to contribute about 8s. in the £1. It is unfair that we should remit only 3d. in the £1 in the one case and 8s. in the £1 in the other.

Mr. HECTOR LAMOND.—Large investments in our war loans obtain a return by way of interest of about 7 per cent.

Mr. TUDOR.—More than that. Large subscribers to those loans reap an advantage of more than 2½ per cent. over

small subscribers, when Federal and State income taxes are considered.

Mr. GREGORY.—The whole thing is becoming very dangerous.

Mr. TUDOR.—I quite recognise that. When we were discussing the Income Tax Assessment Bill it was pointed out that if we adopted a particular exemption which was proposed, and if an exemption was made of the Federal income tax we should be remitting taxation upon an amount representing some £4,000,000 or £5,000,000 per annum. Unfortunately, by the time the next Budget statement is made the proposed loan will have been successful or unsuccessful. To-day the Acting Treasurer has submitted what was in reality a preliminary Budget, in which he set forth the amount of our indebtedness. In ordinary circumstances the debate upon that statement would have been adjourned, and honorable members would have been afforded an opportunity of studying it at their leisure. It was obviously impossible for any honorable member to follow the elaborate explanation made by the Acting Treasurer this afternoon, and to grip all the details presented so as to enable him to discuss it in the way that he would like. I protest against being obliged to ask the permission of the House to make a statement.

Mr. HIGGS.—Of course, the Acting Treasurer need not have made that statement at all.

Sir JOSEPH COOK.—I followed the course which was laid down by the Government of which the honorable member for Yarra (Mr. Tudor) was a member.

Mr. TUDOR.—A course which I believe to be perfectly right. But the Acting Treasurer's statement should have been made in Committee of Supply, where every honorable member would have had an opportunity of discussing the conditions which attach to the proposed loan. I do not find fault with the statement of the Acting Treasurer itself—

Sir JOSEPH COOK.—I took the course that has always been taken, and it is now objected to for the first time.

Mr. TUDOR.—There is a sound reason for objecting to it. Although the war has terminated, I recognise that we

have to raise money for repatriation purposes. I am protesting in the interest of every honorable member against the course which has been followed to-day. Whenever a Budget statement is delivered, the Budget papers are distributed amongst honorable members so that they are in the position to follow the Treasurer's remarks.

**Mr. FENTON.**—Does the honorable member think that the Commonwealth has power to tax interest accruing from State loans?

**Mr. TUDOR.**—I do.

**Sir JOSEPH COOK.**—Your Attorney-General said that the Commonwealth had not that power, and the matter was decided accordingly. Of course we laymen are easily able to dispose of these questions. But the matter has already been determined. I understand that the Constitution is against us.

**Mr. TUDOR.**—If that be so, it is certainly another argument in favour of the motion which the honorable member for Eden-Monaro (Mr. Austin Chapman) has put upon the business-paper.

**Mr. HECTOR LAMOND.**—The matter should be tested.

**Mr. TUDOR.**—Yes, in the proper place. When the question was raised some time ago, many honorable members who are now on the Ministerial side of the House, but who were then in Opposition, protested against the Government taking to themselves the power to tax State instrumentalities. At that time it was thought that the Commonwealth had power to tax such instrumentalities.

**Sir JOSEPH COOK.**—If the honorable member will turn up the records for 1915 he will find that I was in favour of some arrangement being made upon this matter between the Commonwealth and the States, but that his own Government was against the adoption of that course.

**Mr. TUDOR.**—Probably because we thought we had the necessary power to tax State instrumentalities.

**Sir JOSEPH COOK.**—The honorable member's Government said that we had not. They insisted that we had not that power.

**Mr. TUDOR.**—If a Government of which I was a member, made a mistake,

I am not one of those who will obstinately refuse to attempt to rectify it.

**Sir JOSEPH COOK.**—I am not suggesting that a mistake was made, but that the Government of that day acted on the best advice they could get, which was to the effect that the Constitution was against the Commonwealth taxing State instrumentalities.

**Mr. TUDOR.**—Now that we have a progressive income tax, the position is infinitely different from what it was in 1915. If those who have been the largest subscribers to our loans find that by doing so they can escape the payment of income tax they will continue to do so. It is a well-known fact that persons who are liable to pay probate duties go into the open market and buy bonds at £91 or £92, and tender them in payment of the duties at the par value of £100. That was not our intention when we agreed to allow Commonwealth bonds to be accepted in payment of probate duties. I join with the Acting Treasurer in hoping that the loan will be a success, because we must do the best we can for the men who went away to fight for us, but I hope the Government will not be half-hearted in the matter of making it a compulsory loan.

**Mr. GREGORY.**—And retrospective.

**Mr. TUDOR.**—I agree with the honorable member that those who have done well out of Australia in the past, and have escaped contributing to our loans, ought to be made to bear their share. I hope the loan will be a success.

#### INSTITUTE OF SCIENCE AND INDUSTRY BILL.

##### SECOND READING.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [4.33].—I move—

That this Bill be now read a second time.

**Mr. TUDOR.**—This is a hardy annual.

**Mr. GREENE.**—The honorable member's interjection serves to indicate that this measure is not altogether a stranger to the House. For several reasons with which honorable members are fairly well acquainted it has not been found possible in days gone by to pass it into law.

**Mr. TUDOR.**—Is this Bill exactly the same as the one introduced previously?

**Mr. GREENE.**—There are several alterations, the reasons for which I will explain later.

The long delay in passing a Bill to establish an Institute of Science and Industry has only served to emphasize the necessity for such legislation and the creation of such an Institute, and to demonstrate that throughout the length and breadth of the land, in many quarters, which, perhaps, have the best possible knowledge of the need for an Institute, there has been an insistent demand for the establishment of one. In some directions we are told that this proposal is simply an expensive fad of the Government which can serve no utilitarian purpose, but simply provides a means for spending money which the country needs sorely for other purposes. I entirely disagree with that opinion. The more study one gives to the subject the more one becomes convinced of the absolute necessity for Australia doing what is possible, at all events at the present moment, towards the establishment of an Institute of Science and Industry. We are obliged to cut our coat according to our cloth. If we had unlimited funds at our command, no doubt we could launch out and do vast and useful work for Australia by spending a very large sum of money in this direction, but we cannot do that to-day. We must proceed slowly along the road. However, notwithstanding the present financial position and the enormous commitments ahead of us, I do not think we ought to refrain from making a start in a direction in which so much useful work can be performed. I was very interested a little while ago when I read a resolution passed by the American Federation of Labour dealing with this particular subject. No country in the world to-day, not even Germany, is spending more money in or devoting more attention to scientific research than is America. Presently I shall tell honorable members the extent to which America is subsidizing this class of research in many directions and in many fields, but nevertheless the last Federal Convention of the American Federation of Labour felt called upon to pass a resolution in such clear, concise, and comprehensive terms that, although it is lengthy, I propose to read it, because it sets out facts which show how necessary it is for

Australia to follow the example of other lands. The resolution was as follows:—

\* Whereas scientific research and the technical application of results of research form a fundamental basis upon which the development of our industries—manufacturing, agriculture, mining, and others must rest; and

Whereas the productivity of industry is greatly increased by the technical application of the results of scientific research in physics, chemistry, biology, and geology, in engineering and agriculture, and in the related sciences; and the health and well-being, not only of the workers, but of the whole population as well, are dependent upon advances in medicine and sanitation; so that the value of scientific advancement to the welfare of the nation is many times greater than the cost of the necessary research; and

Whereas the increased productivity of industry resulting from scientific research is a most potent factor in the ever-increasing struggle of the workers to raise their standards of living, and the importance of this factor must steadily increase since there is a limit beyond which the average standard of living of the whole population can not progress by the usual methods of re-adjustment, which limit can only be raised by research and the utilization of the results of research in industry; and

Whereas there are numerous and important and pressing problems of administration and regulation now faced by Federal, State, and local governments, the wise solution of which depends upon scientific and technical research; and

Whereas the war has brought home to all the nations engaged in it the overwhelming importance of science and technology to national welfare, whether in war or in peace time, and not only is private initiative attempting to organize far-reaching research in these fields on a national scale, but in several countries governmental participation and support of such undertakings are already active; therefore be it

Resolved, by the American Federation of Labour in convention assembled, that a broad programme of scientific and technical research is of major importance to the national welfare, and should be fostered in every way by the Federal Government, and that the activities of the Government itself in such research should be adequately and generously supported in order that the work may be greatly strengthened and extended; and the secretary of the Federation is instructed to transmit copies of this resolution to the President of the United States, to the President *pro tempore* of the Senate, and to the Speaker of the House of Representatives.

**Mr. RILEY.**—Labour has taken a strong lead in that direction.

**Mr. GREENE.**—I admit that, and that is why I am looking forward to a good deal of support from honorable members opposite, because science can do a great deal to improve the position of the workers generally. Scientific discoveries have been the means of reducing expenditure,

which has enabled employers to pay their workmen higher wages and provide them with better accommodation. The resolution, in its preamble, set out in clear and comprehensive terms the reason for and the desirableness of Australia proceeding on similar lines.

I stated just now that we have had evidence from the time when this project was originally mooted—I think in 1916—that in many parts of Australia there is a general desire that the Commonwealth should proceed with the establishment of the Institute, to afford facilities for scientific and technical research. I do not think the necessity for the establishment of the Institute has been emphasized by any one more than by our organizations of primary producers, who are scattered throughout the Commonwealth. I believe this is largely due to the fact that they are realizing more and more the extent to which it is possible for science to assist them in the useful and sometimes difficult work which they are performing, and this has been borne home to them in a striking manner, particularly during recent years. Many honorable members will probably be able to recall a time when bullocks could be purchased at 15s. per head, and sheep at 5s. per head, and in those days it did not concern the owner very much—or, at least, not to the same extent as it does now—if disease entered their flocks and herds. Although they incurred losses, they did not feel them as they do to-day, when sheep and cattle are selling at such very high prices. I believe that many of the diseases that are common to our flocks and herds are preventable, and Australian producers now realize that the chief assistance they can expect to receive is from scientists. Apart from the fact that the average grazier, pastoralist, and farmer has not the scientific knowledge to undertake research work on his own account, there are many reasons why it is almost impossible for him, even were he equipped with the necessary knowledge, to conduct the necessary investigations himself. For that reason, if for no other, producers recognise that the Government can materially assist them by providing the means whereby scientific research can be undertaken, not only in their interests, but in the interests of the whole community. I do not desire to weary honorable members by reading a list of the associations which

have passed a resolution in favour of the establishment of the Institute, but I think it necessary to submit some particulars to the House. They are as follows:—The Graziers Association of New South Wales, the Primary Producers of New South Wales—

Mr. RYAN.—How long ago was the resolution passed?

Mr. GREENE.—I have not the dates before me, but I can assure the honorable member that the one from the Graziers Association of New South Wales reached me only last week, and the one from the Primary Producers Association of New South Wales about three or four months ago. Many of these organizations, the names of which I am submitting, have passed a resolution comparatively recently, and necessarily all of them since the original idea was mooted by the Prime Minister (Mr. Hughes). These organizations have directly associated themselves with the request that the establishment of the Federal Institute of Science and Industry be proceeded with. The list continues:—The Sydney Chamber of Commerce, the New South Wales Chamber of Manufactures, Institute of Civil Engineers, Australian Industries Protection Board, Australian Chemical Institute, Australian Aero Club, Electrical Association of Australia, Engineering Association of New South Wales, Chemical Association, Master Builders Association, Institute of Local Government Association, Wireless Institute, Chemical Society of Technical College, Chamber of Agriculture, Society of Chemical Industry, Royal Society of New South Wales, University Chemical Society, Linnean Society of New South Wales, and Master Process Engravers Association. Those associations passed a resolution in the following terms with the direct request that it should be conveyed to the Government:—

That this meeting of scientific and industrial organizations urge upon the Federal Government the desirability of passing into law at an early date the Bill constituting the Commonwealth Institute of Science and Industry.

Mr. RYAN.—Are all the resolutions the same?

Mr. GREENE.—Yes, it was a resolution to which they all assented.

Mr. TUDOR.—Who framed the resolution? It might be similar to resolutions

which have been carried in various parts of the country but which have emanated from Collins House.

Mr. GREENE.—These are representative scientific bodies, and those responsible would not give their support to such a resolution unless they believed it to be right.

Mr. JOWETT.—They are all moved by the one impulse.

Mr. GREENE.—Yes.

Mr. RYAN.—But not acting on their own initiative.

Mr. JOWETT.—That remains to be seen.

Mr. GREENE.—Requests have repeatedly been received from the various organizations of primary producers in the different States for the investigation by the Institute of Science and Industry of problems affecting their interests. The temporary institute which has been carrying out preliminary investigation work has been approached over and over again in this way. The Primary Producers Union of New South Wales has given its strong support to the proposed institute, and has called attention to the enormous preventable losses occurring amongst the flocks and herds of the Commonwealth. In April last, a conference of representatives of branches of New South Wales agricultural bureaux, which, as honorable members probably know, are made up of farmers and primary producers, in association with the Agricultural Department of the State, which carries on experiments in their districts in regard to the growing of crops and other matters, approved of Commonwealth action.

Mr. RICHARD FOSTER.—Have you a similar resolution from the other States?

Mr. GREENE.—I am not sure that the matter has been as cordially taken up in Victoria as in New South Wales. From the latter State repeated requests for investigations have been made.

In the past, it was objected that the Commonwealth Government proposed to create an institute whose work would overlap that of State Departments which were doing good service. But it was never intended that there should be any such overlapping—

Mr. RICHARD FOSTER.—Then you were unfortunate in the way in which you presented the measure twelve months ago.

Mr. GREENE.—I think that the provisions in this Bill to which the honor-

able member alludes are practically identical with, if not quite the same as, those in the Bill of last year.

Mr. RICHARD FOSTER.—I am aware that there is the germ of considerable expansion here.

Mr. GREENE.—Far from desiring to create an institute whose work would overlap that of State Departments, we desire quite the contrary. There is not the slightest doubt, however, but that there is to-day a great deal of overlapping. The six States interest themselves, to some slight extent, at all events, in the questions which the Institute of Science and Industry will eventually take up, and very often several State Departments are investigating the same matter.

Mr. RICHARD FOSTER.—Yes; but this work cannot be centralized. It is essential to carry out investigations in various localities.

Mr. GREENE.—In many other cases the work can be centralized, and the problem is often one to be studied as a whole, because it affects every part of Australia. To obtain the best results some matters must be studied from one end of Australia to the other, and the results of the experiments collated. That is not being done now.

Mr. JOWETT.—Is it not better to have independent investigators for all scientific research work?

Mr. GREENE.—I am not dealing with that point now. The establishment of an Institute of Science and Industry and the relation of that Department to the States was brought prominently before the Premiers' Conference which was held in May, 1918, when Mr. Holman, then Premier of New South Wales, moved the following motion—

That the Commonwealth Government be requested to cease the procedure at present being carried out whereby unnecessary expenditure is being incurred in the assumption of functions by the Commonwealth Bureau of Science and Industry which are at present being efficiently performed by the States.

On that occasion, Mr. Holman stood alone. Let me quote what was said on the motion by the other Premiers. Mr. Peake, who was then Premier of South Australia, and whose death we all lament, said—

In my view, this is one of the big questions which we might very well feel satisfied belong rather to the Commonwealth than to the States, because no scientific discovery will be purely a State affair. It is simply a question

of whether the Commonwealth can show us that we are going to have increased efficiency without duplication of the cost of the State Departments. If it can show us, then I, for one, will heartily support the Commonwealth taking over the whole of the departments of scientific research, because I think they would do the work much better. . . .

I would like to put another view from the stand-point of the States. I do not think any State stands more strongly for State rights than does South Australia, but we regard science as on an entirely different footing from practical administrative work. Science has no boundaries, and the operations of the scientific bureau could very well be spread over the whole of Australia, both from the point of view of more effective work and from the stand-point of economy. What is the use of five or six different State Departments pursuing inquiries on different lines when possibly one body could much more effectively perform the work of investigation and research? . . .

I think that there must necessarily be greater strength in the scientific methods of the Commonwealth than in those of the States. The greater scientific knowledge which money will enable the Commonwealth to obtain will strengthen every Department, and I think that in this case the Commonwealth can very well take over all scientific investigation on behalf of the general community.

**Mr. Lee, the Premier of Tasmania, said—**

I think no very great harm can come of this departure, provided the Commonwealth Bureau exercises a reasonable amount of discretion—that is to say, that any matters which are being investigated by a State Bureau should not be undertaken by the Commonwealth, matters peculiar to the State in which the Bureau exists. If those are left to the States I can quite imagine there are many questions that can be well investigated by the Commonwealth. In matters that are common to all States, it appears to me, the Commonwealth Bureau can effect very essential service to the whole Commonwealth.

**Mr. Lefroy, the Premier of Western Australia, said—**

No, doubt, the question of scientific research is more important at the present moment than, perhaps, at any previous time in Australia. There are many diseases in stock that are common to the whole of Australia, and I am of opinion that better research work could be done by one central body. There are not many men in the world who are experts in these matters—they are very difficult to obtain. If one State were able to get the services of the most experienced man to go into research work, the other States would be unable to avail themselves of his services. Although I am very jealous of the sovereign rights of the States, at the same time I think this research work could be better done through one central body. I should be prepared to fall in with any arrangement that might have that object in view, seeing that it is in the interests of my own State that it should be done. There are many

different problems which we shall have to deal with in Australia in the future, and they could be better dealt with by one central body.

**Mr. Lawson, the Premier of Victoria, said—**

I confess to a large measure of sympathy with the President's views as an expression of an abstract principle. It is, perhaps, possible that the Commonwealth, in the exercise of this right, might logically take over certain other matters which are specifically State functions, but I do not fear that. I think we might reasonably welcome this institution as capable of doing something which, unfortunately, the States have not succeeded in doing. In the State activities and State inquiries there have been overlapping and duplication; but, by means of centralization, more satisfactory results can be achieved. Mr. Swinburne's memorandum, which the Acting Prime Minister read, states the case fully. We want concentration and co-ordination, and we ought to leave it to one body to make specific inquiries, instead of all the States independently investigating the same subject, thus making for duplication. . . .

I say let us welcome the Commonwealth, and work hand in hand with it in this matter.

**Mr. RICHARD FOSTER.**—That is very fine, and, in view of it, this Bill is a mighty improvement on the last.

**Mr. GREENE.**—I am glad to hear the honorable member say that the Bill is an improvement on the measure submitted during last Parliament, and I hope that its second reading may be agreed to unanimously.

Let me try to give the House very briefly some idea of the extent to which other countries have subsidized scientific research. Before the war, there was no country which devoted more time, attention, and money to it than Germany. Had it not been for this, she would not have been able to keep going half as long as she did. Her chemists were able to produce substitutes for almost everything her people wore or ate. That circumstance is not a reason why we should support scientific research, but it is a wonderful example of what scientific knowledge has been able to accomplish. When, because of the war, the world was cut off from the material advantages she was enjoying as the result of Germany's scientific research and applied science, it was found impossible to proceed with many industrial operations until the scientists had been called in. Great Britain was amongst the first to recognise that, and has created, since the war, a Department which she endowed with £1,000,000 to start with, and which she has voted this

year £360,000 to maintain. She established this institution during the war, and is using it to-day to assist her manufacturers, because she then demonstrated the enormous amount of assistance that it can be to her people in times of peace.

We find that America is doing infinitely more even than Great Britain. I quoted in the opening portion of my speech the resolution passed by the American Federation of Labour, and one marvels at the fact that they did pass that resolution in view of the tremendous amount that America annually votes for this particular class of work. Other countries were quick to perceive the wisdom of Great Britain's action, and to realize that immediately the war was over the international competitions of peace would be resumed. The United States, which, perhaps, with the exception of Germany, has done more than any other country to subsidize and encourage research into industrial problems, was forced to the conclusion that her efforts in this direction, great as they had been, were insufficient. She not only increased her enormous subsidies, raising the amount expended on the many activities of the Department of Agriculture alone to £6,000,000, but she established a permanent organization called the National Research Council.

The principal reason which actuates the Government in promoting the Bill for the establishment of an Institute of Science and Industry in this country is the desire to assist our primary industries. We realize that, unless something can be done to assist the man on the land, he is in for a bad time.

**Mr. STEWART.**—And so is the country.

**Mr. GREENE.**—That follows. The difficulty that the primary industries of Australia are peculiarly up against is this: We have in the cities a constantly-rising level of wages. It is going up and up and up until, in competition for some kinds of labour, the primary industries have to pay more and more and more. Although there has been some rise in the level of prices which the primary producers are getting for their products, we have to realize at the same time that they are going back again into the old competitive conditions under which they will have to sell their produce in the markets of the world. The time, perhaps, is not very far distant when it will be found

almost impracticable to compete with the rate of wages being paid in the cities, and keep the men on the land.

**Mr. GREGORY.**—Why did you not bear all that in mind when you were bringing in your Tariff?

**Mr. GREENE.**—I do not think it has any direct bearing upon that question, although I shall be quite willing to argue the point when the occasion arises. The problem I have stated is self-evident. All those who have any close acquaintance with the rural industries of this country know full well that that is the real difficulty which the farmer is up against every day in the week. I believe that by the application of science in its broadest sense to primary industries the farmer can be helped perhaps to a greater extent than through anything else. If by improved methods of cultivation, and of breeding, and by eliminating the preventable losses which he now annually sustains, we can add to the farmer's returns, he can meet far more easily that increase which is going on in the cost of wages than he can to-day. The results which have been obtained in other countries, and particularly of late years in America, encourage us to believe that a vast deal can be done in this country upon similar lines, and that the producer can be put into a better position through applied scientific research than perhaps by anything else that we can do. The Government hope that, when the Institute is established, the procedure will be, as seems inevitable, to divide its work into various branches. It is impossible to conduct the whole of the operations of the Institute as one branch. The work must be specialized. One special branch will probably be devoted to agricultural problems, another perhaps to stock diseases, another, again, to forest products, and so on. We must have that subdivision and specialization. When the Institute is established, while it cannot hope to do as much as America is doing to-day, if, on the agricultural side, it takes as a model the activities of the American Department of Agriculture—

**Mr. RICHARD FOSTER.**—It can appropriate the greater part of the results of what America is doing.

Mr. GREENE.—It can, to some extent, but every country has its own peculiar problems. Take, as an example, the tick investigations in America. What they have done there is a help to us; but, so far as our investigations have gone on the scientific side into that urgent problem, which is inflicting enormous loss on this country every year, they show that America's experience is not exactly ours, and that the problem in America is not exactly the same as the problem in Australia. These differences have to be studied from the scientific side, and only when the scientist has gone into them can he tell the agriculturist the right thing to do to get rid of his troubles.

Mr. RYAN.—Under what part of the Constitution, or what power in the Constitution, do you propose to establish this body?

Mr. GREENE.—If the honorable member can show me anything in the Constitution which prevents us proceeding with it, it will be given very careful consideration.

Mr. RYAN.—I am merely seeking information.

Mr. GREENE.—America, as I showed, has increased her total appropriation for her Agricultural Bureau alone to £6,000,000 this year. Mr. George Ellery Hall, the chairman of the National Research Council, writes as follows—

Even if there had been no intellectual stimulus, the present great war would have forced science to the front. In the first days of the conflict the nations of the Entente were faced by problems soluble only through the aid of scientific research. Statesmen whose exclusively classical training had afforded them little or no means of appreciating the significance of science, were compelled to summon investigators to their aid in order to overcome difficulties demanding instant solution. The question of manufacture, serious as it was, frequently held second place to the necessity for research. Thus in England it was evidently impossible for the glass factories to produce the special kinds of optical glasses needed for periscopes, gun sights, field glasses, and many other military instruments, until the methods of making these glasses, previously worked out in Germany, had been re-discovered by British investigators. So with scores of other problems forced upon the nation under the stress of war. Scientific research was the first requisite, and both men and funds must be provided without delay.

Mr. MATHEWS.—That was not want of knowledge, but the craze for cheapness. Germany was producing those things cheaper than Great Britain.

Mr. GREENE.—The honorable member is not altogether right. The position at that time was that the German scientists were working in connexion with the optical industry of Germany and Austria. They had worked out the scientific problems connected with the manufacture of these lenses in a way which the scientists had never been asked to do in Great Britain. When the war broke out, and the sources of supply were cut off, and the British makers of optical glasses were asked to produce these instruments, they could not do it, for the simple reason that they had not the necessary scientific knowledge. They had to call in the scientists and ask them to work out the problems for them. When the scientists had worked them out, then, and only then, were the British makers of optical glasses able to produce the articles required.

Mr. MATHEWS.—They could have done that before the war; but the British people wanted cheap goods from Germany.

Mr. GREENE.—That may have had something to do with it. So much for what America has done.

Canada first created a temporary Advisory Board, and then took steps to place the organization on a permanent basis. She has now a Department of Scientific and Industrial Research. She proceeded much on the same lines as we have followed, calling in a small Board, in the first place, to advise what was the best thing to do. She then created the permanent institution which she is now voting large sums of money to continue. France started with a preliminary grant of £250,000, and a large annual appropriation. Italy voted £250,000 as a first instalment for the work of the National Research Council, a newly formed institution, whose duties are—

- (a) To further research in the sciences and in the application of these to industry, agriculture, hygienic alimentation, and to national defence;
- (b) to formulate and accomplish concrete projects of researches in order to utilize the scientific, technical, and natural resources of the country;

- (c) to furnish technical or scientific information as required by public administrations, and perform experimental and theoretical researches as asked for by the same administration;
- (d) to establish constant liaison by means of Italian and foreign delegates with similar foreign organizations; and
- (e) to furnish to the Army and Navy scientific, technical, and industrial data relating to national defence.

As regards Japan, the war gave great impetus to manufacturing industries in that country; and to secure greater national efficiency the Government two years ago undertook the establishment of a National Physical Laboratory, with an initial endowment of £500,000, and a similar further sum at a later date. A Japanese dyestuffs industry has been established, with a capital of £800,000, on which the Government guaranteed 8 per cent. Similarly the glycerine industry has been handsomely subsidized.

South Africa, New Zealand, Sweden, Belgium, and other countries are all taking steps for the same purpose and with the same ideas as actuate us, for the development of their resources on scientific and economic lines.

**Mr. HIGGS.**—How much does the Minister propose to spend on this proposal?

**Mr. GREENE.**—I do not think that consideration should interfere in any way with the views of the House as to the passing of the Bill. The question as to how much we can wisely afford to grant this Institute, year by year, will have to be dealt with by the House when the Estimates are before us.

**Mr. RICHARD FOSTER.**—But there is no reason why the Minister should not tell us approximately the expenditure with which the Government propose to start.

**Mr. GREENE.**—I am not in a position at present to give the House that information, since the Director has not yet been appointed. I am hoping that he will be appointed in time to enable us to obtain from him some idea of what he proposes to do in the first year, so that we can then consider what amount will be necessary to give him reasonable opportunity to carry out some useful work. Rather than spread the Director's activities over a very wide area in the first place—rather than that he should spend a little money here and a little money there—it would be better, I think, to give him

sufficient funds to enable him to deal thoroughly with one or more matters.

**Mr. BAMFORD.**—Has the Minister in his mind at the present time the name of a suitable person for the position of Director?

**Mr. GREENE.**—I hope that we shall secure a competent man, combining in his own person, not only some scientific knowledge, but business ability and administrative skill. It is not possible for me to announce the name of the gentleman to be appointed, since the Government cannot make an appointment until Parliament has passed the Bill. One can only say, in answer to the honorable member's inquiry, that there are in Australia a limited number of men who possibly could fill the position if they were free to do so.

**Mr. HAY.**—Are the Government prepared to provide for an Advisory Board to make recommendations to the Director in regard to the agricultural section?

**Mr. GREENE.**—We have not included in this Bill statutory provision for the appointment of Advisory Councils. The reason for this is that we feel that no one Advisory Council could cover the whole field of scientific research. It is contemplated that the Director, when appointed, will specialize his work, and that it will be necessary to appoint a special man to deal with such a subject as agriculture. That having been done, he would then call to his counsel men who knew something of the subject.

**Mr. RICHARD FOSTER.**—He will be able to associate with him in his work the existing State Councils.

**Mr. GREENE.**—The State Departments of Agriculture have their experts, and the Director will be charged with the duty of bringing all these into co-operation with himself. I wish to make it clear that the terms of the Bill do not preclude the Director bringing into his counsels men from outside. If he deems it desirable to ask three or four practical pastoralists to consider with him the details of his scheme dealing with, say, the tick pest, there is nothing in the Bill to prevent his doing so.

**Mr. JOWETT.**—But that will be merely optional on his part?

**Mr. GREENE.**—Yes. The Bill, as previously framed, laid it down that there must be Advisory Councils. If, however, these Advisory Councils were to cover the

whole field of scientific research in agriculture, mining, forestry, and manufacturing in all its branches they would be so unwieldy as to render it impossible to obtain the best results. What is proposed is that instead of having Advisory Councils created by Statute—which would mean that certain interests would have to be left unrepresented, unless we were to make these councils altogether unwieldy—the Director shall be left free to call to his counsel in regard to the particular problems that have to be studied from time to time such men as may be considered desirable.

Mr. RICHARD FOSTER.—And he will be free to benefit from the existing work of the Universities.

Mr. GREENE.—Certainly. It is thought that in this way we shall secure better and speedier results, and probably incur far less expenditure, than if we created councils which, however large, within reason, they might be made, could not possibly cover the whole ground. That, briefly, is what we have in our minds, and it was that consideration which actuated the Government in removing from the Bill the statutory provision for Advisory Councils. Under such a system it would have been necessary to have a large number of men on a council. Only one of that number might know anything of a particular subject with which the Director was dealing, when perhaps he should have eight or nine men gathered from all parts of Australia to advise and assist him in regard to it.

I am afraid that I have not been altogether a popular Minister with the gentlemen who have very kindly consented to act as an Advisory Council for some time past. Those gentlemen did a great deal of preliminary investigation work, and, naturally, having laid the foundation, they were very anxious to see the edifice raised. They wanted to proceed, but, as the Minister charged for the time being with the administration of the Department, I felt that until Parliament had definitely authorized the establishment of this institution, it would not be right for me, notwithstanding that we were not exceeding the vote passed by Parliament, in respect of the year, to permit expenditure on work which would necessarily commit the country to expenditure in future years. Acting

in accordance with that rule, I have pulled them up time after time. I have said to these gentlemen, "Your preliminary investigations have been very useful, but there you must stay until Parliament has authorized the establishment of the Institute. You must not start upon a career which, having been entered upon, will necessarily result in the country being committed to expenditure in years to come." I make this statement quite frankly.

Mr. RICHARD FOSTER.—They have rendered very excellent service.

Mr. GREENE.—They have, and the country is indebted to them for the work they have done.

Mr. JOWETT.—Were they not distinguished University men?

Mr. GREENE.—Most, but not all of them were. Mr. Delprat, for instance, was not a University man, and Dr. Cameron, who is connected with the Victorian Department of Agriculture, and others, were not associated with the University.

Mr. CORSER.—They have paved the way for the future.

Mr. GREENE.—They have at all events laid the foundations for future operations in respect of quite a number of investigations to which I hope to refer, and have done a great deal of most useful preliminary work. There has been only one exception to the general rule which, as I said a few moments ago, I have followed in regard to their expenditure, and that is in respect of the prickly pear investigation, to which the Commonwealth was committed some considerable time ago. Honorable members are no doubt aware that the Governments of Queensland and New South Wales agreed with us to expend some £8,000 a year on the prickly pear investigation. When one considers the enormous damage that this pest has done, and is doing, one must recognise that if by an expenditure of £1,000,000 we could rid ourselves of it, we should have paid very little for the solution of such a problem.

Mr. JOWETT.—Is not the pest spreading in Australia to the extent of 1,000,000 acres a year?

Mr. GREENE.—There are in Australia 23,000,000 acres of fine pastoral country covered with prickly pear, and practically useless. The pest is gaining

at the rate of 1,000,000 acres per annum. I do not say we are going to spend £1,000,000 in the next five years in trying to rid ourselves of it, but if by such an expenditure within that period we discovered some means of effectively dealing with the prickly pear, we should have got off very cheaply.

Mr. MATHEWS.—The Economy party would not say "Hear, hear!" to such an expenditure.

Mr. GREENE.—I think it would. We have this pest creeping steadily over the face of the land. The honorable member for Grampians (Mr. Jowett) and others who have seen the prickly pear country know that it is practically useless. We have no means at our disposal of turning it to any account whatever unless the land be of great agricultural value. In that case it will pay to clear, but it will not pay to clear pastoral land of the pest.

Mr. JOWETT.—Even agricultural land has not been cleared of the pest.

Mr. GREENE.—Some of the more valuable agricultural lands have been cleared.

Mr. FENTON.—What is the Government of Queensland doing to prevent the spread of the pest on private property?

Mr. GREENE.—The Government of Queensland have done many things in connexion with the prickly-pear pest. Honorable members are, no doubt, aware that for country infested with prickly pear in Queensland many leases have been issued under pear conditions, and the honorable member for West Sydney (Mr. Ryan) will be able to say better than I can whether those conditions have been complied with or not. The investigations, so far as they have been undertaken, by the Queensland Government and our experience tend to show that there are no mechanical means by which the pest can be dealt with. They have also tended to show that there is no utilitarian purpose to which the prickly-pear plant can be put. If the fibre were of use for industrial purposes, or if the plant contained, in sufficient quantities, a drug or any substance for which there would be a commercial demand, the problem of eradicating the pest would not be so difficult of solution.

Mr. BOWDEN.—Is it not used for fodder?

Mr. CONSIDINE.—Is it not being cultivated in California to be made use of?

Mr. GREENE.—The honorable member refers to a different cactus altogether. If any commercial use could be made of the plant, something might be done with it; but all the investigations, so far, go to show that there is only one way in which the prickly pear can be dealt with, and that is by the introduction of some insect which will destroy it. The Queensland Government some little time ago introduced the cochineal insect into Queensland, in the hope that it would destroy the prickly pear. However, the cochineal insect proved to be somewhat of an epicure. There is one particular kind of pear which the insect liked, and it has wiped that plant out of existence; but it has left the true prickly pear severely alone.

Mr. CORSER.—It has been found that ants liked the cochineal insects so much that they have killed them all.

Mr. GREENE.—It is thought that investigation may show that some insect can be found which will destroy the prickly pear. A committee is busy investigating the problem in America from this particular aspect, and it is hoped and believed that it will be possible for them shortly to announce some results. We can only go on trying to deal with the problem, and I hesitate to believe that science is so bankrupt of resource in this matter that we shall not ultimately find a solution. Though the solution, when found, may involve the expenditure of a good deal of money, there can be little doubt that it will be thoroughly justified, in view of the loss caused to Australia year by year through the spread of this national pest over vast areas of the country.

Apart altogether from problems connected with diseases in stock and pests of various kinds, most of which, I believe, were imported to this country, there is a vast field for research, which, I believe, will ultimately yield great results, in connexion with our forests and probably all our flora. Honorable members are aware that the flora of this country is, for the most part, peculiar to Australia, and is not found anywhere else in the world. The probabilities are that the

establishment of forest products laboratories in different parts of Australia will ultimately reveal that we have in our forests, as has been proved to be the case in other countries, vast wealth. I feel satisfied that in that particular direction there is not only a vast field for research, but that in all human probability that research will reveal sources of great wealth to this country.

Then, of course, there is to be considered the immense assistance that science can afford to our manufacturing industries. This proposal is primarily connected with assistance to our agricultural industries. Action in this direction was originally suggested in this Parliament through a desire to help agriculture, and honorable members will recollect that many years ago the present Minister for Works and Railways (Mr. Groom) was associated in this House with the introduction of a Bill for the creation of an Agricultural Bureau. The purpose then in view is covered by the measure now under consideration, but I am satisfied that scientists can also assist our manufacturing industries very materially in the future. I do not wish to delay honorable members by pointing out the many directions in which science can come to the aid of industry. Indirectly, in giving such aid we shall also be assisting our primary producing industries. The more readily the primary products of this country, varied as they are, can be turned to use, the better it will be for the man on the land in all his various activities.

I take, for instance, the manufacture of leather. The more leather that is tanned in this country, the better. But there are all sorts of problems connected with the tanning of leather in Australia from a scientific point of view which have never yet been properly worked out. There are peculiarities in connexion with our tanning material, our climatic and other conditions, which create special chemical problems in connexion with the manufacture of leather. These are specially difficult problems, which can only be properly solved by scientific investigation, and until they are solved the best results cannot be obtained.

Scientists can assist manufacturers in the working up of our metals. It is known that there are peculiarities associated with the metals of every country. One matter of considerable importance is

the temperature at which various processes should be carried out. The temperature has to be assimilated to the particular class of material that is being dealt with. All these are matters of scientific research, and the ordinary manufacturer has not the apparatus or the knowledge to carry out this work of research. In scores of instances where bad work is turned out the manufacturer blames the material at his command, when, as a matter of fact, the fault is due, not to the material, but to the fact that the process of manufacture followed is not adapted to the material used.

Mr. MATHEWS.—The fault in many cases is due to the material.

Mr. GREENE.—I am speaking about our raw products. They are all right, but the processes of manufacture sometimes followed are not what they should be.

Mr. GREGORY.—If our manufacturers are to depend upon a Government institute to supply them with that sort of knowledge, they will be going back a long time.

Mr. RODGERS.—The State does not set out to teach those engaged in industries how to carry them on.

Mr. GREENE.—I say that these are matters that can be dealt with by scientific research. In such cases, the Director might engage an expert to carry out necessary experiments in a laboratory, or might call together those engaged in a particular industry, and say, "Here is a problem connected with your industry, and if you each contribute so much we can establish a laboratory at a certain point to investigate that problem."

Mr. LAIRD SMITH.—That is done to a minor degree now.

Mr. GREENE.—That is so. All that I suggest is that there are avenues in which scientific research can be made of immense assistance to our manufacturing industries, and indirectly to the primary industries with which they are concerned. If by applied science the manufacturer is enabled to use his raw material to better advantage, the primary industry supplying the raw material will be benefited thereby.

Mr. RODGERS.—There is an excellent example in what the manufacturer has done for the sugar industry, but that has been done under private auspices.

**Mr. GREENE.**—Everybody knows that the chemical work done by the Colonial Sugar Refining Company in connexion with the manufacture of sugar has been of vast importance to the industry generally. Many persons engaged in manufacture to-day have not sufficient capital to employ technical experts to carry out the scientific work necessary to their industry. In those cases the Government can, through the proposed Institute, come to their aid. They can give them direct assistance, or, as I have suggested, by calling them together work in co-operation with them in the solving of their problems.

In reference to the subject of the co-operation of the Commonwealth and the States, I anticipate from the experience we have had in the past that we shall not find any great difficulty in securing the fullest co-operation of the various State Departments, in respect to the activities of this kind that have so far been carried on, and I am satisfied that, in regard to new problems, we shall also be able to secure their full co-operation.

**Mr. RODGERS.**—Has any definite basis for that co-operation yet been arranged?

**Mr. GREENE.**—I must say "Yes" and "No" to that question. The Advisory Council had no real administrative power, but they worked in co-operation with the State Departments wherever co-operation was found possible. There has been no definite basis laid down. Each problem has been treated as it arose according to the peculiar conditions it presented. I give the following instances of matters in connexion with which the States have co-operated with the Advisory Council of Science and Industry in investigations that have so far been undertaken.

In New South Wales, in connexion with the prickly-pear scheme; the white-ant pest; cattle tick dips; worm nodules disease; forest products; sorghum for alcohol; tanning methods; yeasts and bread making; blowfly pest; and macrozamia.

**Mr. RICHARD FOSTER.**—What is that?

**Mr. GREENE.**—The macrozamia is a kind of palm from which, I think, resin and alcohol are extracted.

**Mr. HAY.**—No, the macrozamia is another species altogether. The grass tree is the plant from which the gum is extracted.

**Mr. GREENE.**—In Victoria the Advisory Council have co-operated with the State Departments in connexion with viticultural problems at Mildura; pottery investigations; contagious abortion in cattle; paper pulp investigations; and tuberculosis in stock.

We have co-operated with Queensland in connexion with the prickly pear; cotton growing; blow-fly pest; castor beans; mangrove bark tanning; mechanical cotton picker; and the cattle tick pest.

In South Australia the subjects have been grass-tree resin, tuberculosis in stock, and paper pulp investigations; in Western Australia, clays and pottery, paper pulp, forest products, cattle tick pest, Kimberley horse disease; and in Tasmania, tuberculosis in stock. Honorable members will notice that cattle tick, for instance, is a problem common to the States of Queensland, New South Wales, and Western Australia, each of which is acting in co-operation with the Commonwealth. Of course, there is no necessity for the States of Victoria, South Australia, and Tasmania, in which this problem has not yet arisen to any extent, to participate in these investigations. Generally speaking, we found the States not only willing but most anxious to co-operate with us.

**Mr. RODGERS.**—Some honorable members, whilst ready to support the Bill, are anxious to avoid financial duplication, and we thought that a definite basis of co-operation had been arranged.

**Mr. GREENE.**—It is extremely difficult to arrange what the honorable member calls a definite basis of co-operation. I think that all that is possible is that when a particular problem arises, we shall approach the States, and say, "Can you co-operate with us in this matter?" Having got their answers we are then free to proceed.

**Mr. JOWETT.**—Suppose that the States will not co-operate?

**Mr. GREENE.**—The Director has then to determine, after consultation with his Minister and advisers, whether in all the circumstances it is desirable, in the public interests, that the Institute should proceed with a particular investigation.

**Mr. MATHEWS.**—In other words, if the States have determined to deal with this

problem the Institute will co-operate with them; otherwise, it will start on its own account.

Mr. GREENE.—Each matter must be determined on its merits.

Mr. RICHARD FOSTER.—Co-operation depends vitally on the attitude of Federal Ministers to the States.

Mr. GREENE.—A Federal Minister has so many other sins laid at his door that it is a hardship to make that additional charge against him. I assure honorable members that there is an anxiety on the part of the Commonwealth and the States to co-operate in these matters, and I have instanced problems in regard to which we have already had full co-operation. The tick problem is one of them. Both New South Wales and Queensland had been carrying on scientific investigations, and Western Australia was doing something, although not very much.

Mr. FOWLER.—Western Australia was doing a great deal.

Mr. GREENE.—At any rate, all three States were doing something, and they were only too glad that the scientific side of the investigation should be taken over by one body. This arrangement did not interfere for a moment with those active practical operations which the States were conducting. The Commonwealth did not attempt to take over from New South Wales and Queensland their tick administration.

Mr. BOWDEN.—Did the Commonwealth duplicate the work the States were doing?

Mr. GREENE.—No; it was agreed that certain scientific problems which the tick question presented should be investigated by the Institute of Science and Industry in co-operation with the State authorities. Such a co-operative effort must mean a concentration of brains, which will, in the long run, give better results than would the continuance of independent investigations.

Mr. RODGERS.—If a State finds itself unable to meet the expense of continuing such investigations, does the Commonwealth, before taking up the problem, arrange to get the benefit of the past work done by the State?

Mr. GREENE.—That has been done on all occasions. Once an agreement has been made to co-operate in respect of any particular problem, the whole of the ascertained data is placed at the disposal of the Committee of scientific experts who are called upon to deal with the matter. Armed with that knowledge, the Committee commences its researches. After all, scientific investigation is largely a process of elimination.

Mr. RODGERS.—That is so; but we wish to avoid the expenditure of money on ground that has been already trodden.

Mr. GREENE.—Expenditure of that kind is avoided. For instance, in dealing with the tick problem, the expert Committee will not start *de novo*, ignoring those results which have been already worked out. They will have regard to the history of previous investigations, which have given perhaps negative results, or results which, whilst not actually positive, yet give hope that further research along the same lines will lead to a definite discovery. At times it is right to go over a certain area of the ground previously covered in order to pick up the connecting link before proceeding. The Government are just as anxious to avoid unnecessary expenditure in the field of scientific research as anywhere else. I feel confident that if we get at the head of this Institute the right type of man—one who has the sense to discriminate between what may be called merely abstract scientific research, which will lead to no practical result, and other research, which is intensely practical, and aims at definite practical ends, a man with the necessary broadmindedness, scientific training, and business and administrative ability—we shall have very little difficulty in steering clear of that avoidable expenditure which yields no commercial result. Nobody recognises better than I do that in this field of scientific research it is possible to engage in an orgy of expenditure which will lead to no practical good. At the same time, one has to admit that the world owes to abstract scientific investigation some of the greatest discoveries of modern times. What we are actually aiming at is that all scientific investigation undertaken through the agency of this Institute shall be directed towards solving the practical

problems which Australian industries, primary and secondary, present to us every day in the week.

**Mr. RODGERS.**—The whole world is engaged in the solution of the problems of the secondary industries. Therefore this Institute will get the best results by concentrating its efforts on the problems of primary production.

**Mr. GREENE.**—I agree with the honorable member that, particularly in its initial stages, the Institute should concentrate its efforts upon agricultural and pastoral problems as far as possible. At the same time, I would not for a moment suggest that there are not immediate and pressing problems in regard to the secondary industries which the Institute should, as far as its funds permit, investigate.

**Mr. RODGERS.**—In America each item of investigation is first justified, and then an apportionment for a particular investigation is made each year.

**Mr. GREENE.**—If we were to present to this House estimates in proportion to our population, based on the American expenditure upon similar work, honorable members would hesitate a long time before voting the necessary money.

I wish to refer briefly to the provisions of the Bill itself. This measure differs in two main particulars from its predecessor, which was passed through another place and explained in this House. Firstly, it provides for only one Director, instead of three. Reasons of economy have led to that alteration, and we also thought that possibly we should be overloading the Institute at the outset by appointing three directors. I do not mean to say that it will not be necessary for the Director to have one or two expert advisers; on the contrary, I think that such advice will be necessary.

**Mr. TUDOR** (Yarra) [6.8].—Why have the Government adopted the principle of one Director in connexion with this Bill, when in the Repatriation Act they provided for three Commissioners?

**Mr. GREENE.**—The two measures deal with entirely different problems. Moreover, the honorable member will recollect that the creation of three Repatriation Commissioners was at the special request of the returned soldiers.

**Mr. BELL.**—Pardon me.

**Mr. GREENE.**—It was done at the special request of the Returned Sailors and Soldiers Imperial League. I was present at the interview at which that request was preferred. The deputationists asked for representation upon that Commission, and I understand that the man whom they themselves had selected has been appointed. However, that has nothing to do with this measure.

The Government propose to appoint one Director. I hope we shall be able to find a man suited for that difficult post. We want a person of first class ability whose appointment will commend itself, particularly to those various bodies with which the Director will be intimately associated, if his work is to be productive of the good anticipated. We have deleted from this Bill the matter of the appointment of advisory councils, for reasons which I have already given. The Government highly appreciate the services which quite a number of gentlemen rendered under very difficult conditions while working with a temporary institute, when it was found inadvisable to permit them to launch out in directions, possibly very necessary, but in regard to which it was felt they should not proceed until Parliament had given sanction to this measure.

Debate (on motion by Mr. TUDOR) adjourned.

## NAVIGATION BILL.

### SECOND READING.

Debate resumed from 1st July (*vide* page 2507), on motion by Mr. GREENE—

That this Bill be now read a second time.

**Mr. TUDOR** (Yarra) [6.8].—Navigation Bills, in some such form as this measure, have been before this Parliament practically ever since the Federal Legislature was inaugurated. The present measure is due to various maritime conferences, but even to-day the Navigation Bill passed in 1912 is not in operation as a Statute of this country. That is largely due to the war. Certain parts, I understand, have been put into operation. In respect to this matter, the Government should state just how the Navigation Bill really stands to-day, and should indicate what parts, if any, are in actual operation.

When the seamen's strike was in existence, about this time last year, it was stated that if the Navigation Act were proclaimed it might have an important bearing upon the settlement of the dispute. I have already stated, when dealing with another matter, that during the past twelve months I have travelled around the Australian coast in various coastal vessels in which the accommodation for the crews was absolutely disgraceful. An ordinarily built man could not turn over in his bunk. It will be scarcely credited that such conditions could exist to-day. The Navigation Bill is different from any ordinary measure, in that it does not call for the assent of the Governor-General, but must be sent to England for the Royal assent. The British Parliament will not grant to any of the Dominions the right to legislate upon the matter of navigation without referring the proposed Statute to the Imperial authorities. It is to be expected, therefore, that even the present Bill, when it has passed, will be hung up for some time. No immediate relief can be expected from this measure in regard to the present treatment of crews on our coastal vessels. It is a disgrace to some of the wealthy shipping companies of Australia, which take every opportunity to increase freights and fares, that such conditions as I saw should exist. At least 95 per cent. of the industrial workers to-day have failed to obtain the improved conditions which they have sought by any other means than by fighting for them, and the same, it appears, must apply to the seamen. Owing to the shortage of shipping, the Government, in some cases recently, have given reluctant permission for the sale of certain vessels off the coastal trade, but on the strict condition that new vessels shall be constructed or purchased to take their place. I learned only last week, however, that a certain company which had obtained permission to make a sale from among its coastal fleet, on condition that they replaced it with a modern vessel, had failed to fulfil its obligation in the matter. During the war, nearly the whole of our best Inter-State ships were sent oversea on transport and other service, and very many have not yet returned to Australian waters. One of the reasons why the effects of the recent drought have been so severely felt is that there has been a

shortage of coastal shipping. To-day, the shortage of coal, owing to the lack of colliers upon our coast, has involved a consequent shortage of wood supplies, for wood has had to take the place of coal in many instances. Colliers have been sold off our coastal service, and have not been replaced. In to-day's press, there is a report of a deputation which waited on the Minister for Trade and Customs (Mr. Greene), at which seamen complained that the vessels constructed for the Commonwealth Government are not being built in accordance with the provisions of the Navigation Bill, in the matter of accommodation for crews. I hope, for the honour of the Government, that that statement is not correct. The Government should be a model employer; it should set an example, and should not construct ships which fail to fulfil the conditions laid down in the Government's own legislation.

It has been stated that, in relation to the proclamation of the Navigation Bill of 1912, unless exemption is granted with respect to certain ports—for example, from Fremantle up along the north-west coast—the trade of that portion of Australia will be entirely destroyed; no vessels will call there. That argument cannot be applied, however, to the greater portion of the Australian coast, at any rate, between Fremantle and Cairns, or Thursday Island.

MR. GREENE.—The difficulty is that there is not sufficient shipping to handle the trade.

MR. TUDOR.—I have already indicated that that is the trouble, but I understand that certain owners have been permitted to sell ships which have been serving on the Australian coast, and have not fulfilled the condition laid down by the Government with respect to replacement. The Minister for Trade and Customs, in the course of his second reading speech, indicated that the provisions of the Navigation Bill passed in 1912 were such, in respect to their vital portions, that, despite that they were framed prior to the convention which followed the wreck of the *Titanic*, it has not been thought necessary to make any material alterations. That is to say, our Navigation Bill anticipated some of the most important features of the convention of January, 1914. Although the House of

Commons passed a measure as an outcome of that convention, I believe it has not yet been given effect to; the reason in this case also is that the war intervened.

I do not approve of one amendment indicated by the Minister, in relation to wireless equipment. Section 231 of the 1912 measure states—

Except as prescribed, every foreign-going ship, Australian-trade ship, or ship engaged in the coasting trade, carrying fifty or more persons, including passengers and crew, shall, before going to sea from any port in Australia, be equipped with an efficient apparatus for wireless communication in good working order in charge of one or more persons holding prescribed certificates of skill in the use of such apparatus.

The lives of the crew are just as valuable as the lives of any passengers may be. If there is to be any limitation at all the clause should provide for a wireless installation on vessels carrying twelve or more persons, including crew. I am appealing for the men employed on these vessels. At present they are not provided for.

Mr. GREENE.—If the honorable member will read the clause again, he will find that they are.

Mr. WEST.—There are more wrecks amongst cargo vessels than passenger ships.

Mr. GREENE.—The clause which takes the place of the original section provides that wireless shall be installed on vessels carrying twelve or more passengers, and of not less than 1,600 tons register.

Mr. TUDOR.—Many ships, colliers particularly, carry more than fifty persons, including firemen, greasers, engineers, seamen, and officers.

Mr. GREENE.—As a matter of fact the Bill is more liberal than the Act, because if there is a crew of fifty, a vessel will be of more than 1,600 tons register.

Mr. TUDOR.—I am glad to have that assurance, but I believe the seamen fear the Bill is not so liberal as the Act.

Mr. GREENE.—Well, I have the assurance of practical men that it is.

Mr. MAHONY.—If there is any doubt upon the point, why not put the question beyond all doubt?

Mr. TUDOR.—This matter is viewed from different angles by different persons. I am only anxious that the provisions should be as liberal as possible.

Mr. GREENE.—They are more liberal than those of the original Act. The representatives of the seamen, accompanied by the honorable member for Melbourne Ports (Mr. Mathews), saw me concerning the Bill, and they did not raise the point referred to by the honorable member at all.

Mr. TUDOR.—I have received the following letter from the general secretary of the Federated Seamen's Union:

Goulburn-street, Sydney,  
May 10, 1920.

Dear Sir,

I am instructed by my executive council to write you and point out that, on behalf of the seamen of Australia, we shall be thankful if you offer our protest against any amendment of the Navigation Act which would enable ships carrying less than ten passengers to leave port without a wireless installation.

We hold that the lives of the crew are of as much importance as the lives of an equal number of passengers, and, therefore, we trust that you will endeavour to safeguard the interests of the seamen by insisting that all ships engaged in the coastal trade shall be fitted with wireless telegraphy.

Yours faithfully,  
THOMAS WALSH.

It might be said that some vessels engaged on the coastal trade, such as those on the run between Sydney and Newcastle, are only a few hours out of port, and, therefore, do not require a wireless installation; but I think that all vessels should be equipped with wireless.

Mr. BOWDEN.—Would the seamen prefer the provisions of the original Act to this Bill?

Mr. TUDOR.—I do not know, but the honorable member will admit that we ought to be prepared to face the situation. When the Act was passed in 1912 wireless was in its infancy, and as we have progressed since then, we should now provide every safeguard possible. Probably 90 per cent. of all vessels in the Australian trade are already equipped with wireless. It is very necessary that ships crossing Bass Strait should have a wireless installation, because very few vessels are met with on that run. Only the other day we had evidence of the value of wireless, an oil steamer which was short of coal being able to communicate with vessels that were sent out to search for her; and it is possible that the Government steamer *Endeavour* would not have been lost had she been equipped with wireless.

*Sitting suspended from 6.30 to 8 p.m.*

Mr. TUDOR.—When we adjourned for dinner I was speaking of the necessity of equipping all vessels with wireless telegraphy. The Convention which was signed in London in January, 1914, provided, in article 41, practically in the terms of our own original Act, that all vessels carrying fifty or more persons should be so equipped. That article is as follows:—

All merchant ships belonging to any of the contracting States, whether they are propelled by machinery or by sails, and whether they carry passengers or not, shall, when engaged on the voyages specified in Article 2, be fitted with a radio-telegraph installation, if they have on board fifty or more persons in all.

That, as I say, largely follows section 231 of our principal Act, and I am assured by the Minister (Mr. Greene) that the amending clause in the Bill goes even further, providing, as it does, that vessels which carry much fewer persons, and all vessels over 1,600 tons gross register, shall carry wireless.

Mr. GREENE.—For instance, the Howard Smith colliers on our coast of 4,000 tons or so, which carry crews of thirty-seven and forty-two, will be obliged to carry wireless, and, in addition, every vessel over 1,600 tons gross register must be so equipped. Under the original Act none of the vessels I have mentioned are compelled to carry wireless; but under the Bill all must do so.

Mr. TUDOR.—That is a step in the right direction. As pointed out by the honorable member for East Sydney (Mr. West), three vessels on the New South Wales coast were totally lost, and not one of these carried passengers. The Seamen's Association consider that the sailors are of equal importance with the passengers, and that they also should have the advantage of wireless. I am not clear as to how much of the Navigation Act is in operation at the present time, but I know that a certain portion of it has been proclaimed. Those honorable members who were here when that measure was before the House know that there are three distinct classes of vessels in the definition section, and that the limited coasting trade and the coasting trade represent two distinct classes of ships and ocean-going vessels. The signatories to the Convention provided that wireless should be installed on

vessels going from a port of one country to a port of another country, and that, in the case of Great Britain and France, would mean a distance of only 30 miles.

Mr. GREENE.—The British Act, which is based on the Convention, has gone beyond that, and provided that vessels trading around the coast of the British Isles shall carry wireless; and we are following in the same direction.

Mr. TUDOR.—That is a proper step. One result of the war has been to make the whole of the shipping companies more careful in regard to life-saving provision; and when we were dealing with our original measure it was brought under my notice that on only about one day in five is it possible to launch a boat at sea.

Mr. BURCHELL.—And there must also be additional rafts and boats.

Mr. TUDOR.—That is so. No doubt vessels are now better equipped for emergencies than they were before the war. There is no reason, however, why we should not go beyond what the Merchant Shipping Act provides.

Mr. FENTON.—Why should we not lead in regard to wireless as in other matters?

Mr. TUDOR.—The Minister assures me that the Bill makes better provision in this regard than was made in the original Act.

Mr. FENTON.—Even that may not be good enough.

Mr. TUDOR.—Quite so. The Convention, which was held as the outcome of the *Titanic* disaster, largely followed the Australian Navigation Act, and, as the Minister stated, very few material alterations are necessary in our Act to meet the requirements of the Convention. Article 16 of the Convention, which we have not followed, states—

For the application of the Articles contained in this chapter and in the corresponding part of the regulations annexed hereto, the ships defined in Article 2 are divided into "new ships" and "existing ships."

New ships are those the keel of which is laid after the 1st July, 1915. The following Articles of this chapter, namely, Articles 17 to 30, are applicable to them in full.

Other ships are considered as existing ships. Existing arrangements on each of these ships shall be considered by the Administration of the State to which the ship belongs, with a view to improvements providing increased safety where practicable and reasonable.

In Article 39 it is provided—

For the application of the Articles contained in this chapter and of the corresponding part of the regulations annexed hereto, the ships defined in Article 2 are divided into new ships and existing ships.

New ships are those of which the keel is laid after the 31st December, 1914.

Other ships are considered as existing ships.

It will be observed that the two dates are different. I think that, so far as new ships are concerned, we should make provision not only for life-saving and for protection against fire, but also for the accommodation of the crew.

Section 39 of the original Act provides in relation to the rating of seamen—

A superintendent before whom a seaman is engaged shall refuse to enter a seaman as A.B., O.S., greaser, or fireman in the agreement, unless the seaman gives to him satisfactory proof of his title to be so rated.

By clause 13 of the Bill it is proposed to amend that section by providing—

(3) No seaman shall be rated as "greaser" who has not served six months as fireman at sea.

(4) No seaman shall be rated as "fireman" who has not served six months as a trimmer or fireman at sea.

(5) No seaman shall be rated as "shipwright" or "ship's carpenter" who has not served an apprenticeship as shipwright, or three years at sea as ship's carpenter, as the case may be.

(6) After the expiration of twelve months from the commencement of this Division, a seaman shall not be permitted to engage in any capacity unless he satisfies the superintendent that he can pull an oar and handle a boat:

Provided that this sub-section shall not apply to the engagement of a seaman who has not previously served at sea.

What I take exception to is the following provision in the clause:—

(7) Notwithstanding anything contained in this section, persons rated as greasers, firemen, shipwrights, or ship's carpenters, before the commencement of this Division, shall continue to be entitled to be so rated.

After all, if a boat gets stove in, only the shipwright or the carpenter can do the repairing work; and the shipwrights and ships' carpenters point out that if men are employed with no practical experience, it will be like living in a fools' paradise. The superintendent, or the man in charge at the port, should not give a certificate or clearance to any but practical men.

I realize that this is not in any sense a party measure; and I am anxious to

Mr Tudor.

see the whole of the Navigation Act proclaimed without further delay, so that all concerned—seamen and passengers alike—may enjoy its advantages. An exception has been granted to vessels on the north-west coast of Australia; and it is possible that, unless this were so, there would be no shipping trading from Fremantle to Broome and Geraldton, and so on, to Singapore.

Mr. RODGERS.—It is a weakness in the Bill that a concession has to be made.

Mr. TUDOR.—It is felt that if a concession is made in relation to certain ports of Australia, similar concessions may be granted to other ports. The question of the employment of coolie and other coloured labour is being discussed at the Seamen's Conference now sitting at Genoa, and there is a fear that if certain vessels are allowed to employ such labour, application for its employment in other directions may be made. However, the seamen, no doubt realizing the difficulties on the north-west coast, have not, I think, offered any objection to the exemption, though they have a fear such as I have just expressed.

Mr. GREGORY.—The conditions there are abnormal.

Mr. TUDOR.—They are. Persons have been given permission by the Government to sell ships for other than the coasting trade on condition that they are replaced by modern, up-to-date vessels; but one of the big shipping firms here which received permission to sell a vessel that was engaged in our coastal trade has not replaced it. We all know that on account of the abnormal conditions which have obtained during recent years, steamers which were constructed for £8 per ton fully equipped, have been sold for from £70 to £80 per ton.

Mr. BURCHELL.—No vessels which were engaged in trade along the north-west coast of Western Australia have been sold.

Mr. TUDOR.—That is so. But the shipping companies should be kept up to the agreement into which they entered with the Government to replace vessels that may be taken off the coast as soon as possible.

Mr. RILEY.—Are there any penalties attached to their failure to carry out that agreement?

**Mr. TUDOR.**—I do not know. They were all anxious to sell vessels, because in China and elsewhere they were able to find a ready market for ships for which it would be difficult to obtain a sea-going certificate to-day. Vessels which had been lying up creeks and mud-banks in other parts of the world, and which had practically been relegated to the scrap-heap were brought into service once more because of the shortage of shipping caused during the war.

**Mr. STEWART.**—We are well rid of many of them.

**Mr. TUDOR.**—But that fact does not dispose of my statement that we are short of shipping in Australia to-day. As a former seaman, the honorable member knows that the law relating to that class requires to be improved.

**Mr. RODGERS.**—Admitting that, suppose that every country enacted special navigation laws of its own, how would the world's shipping get on?

**Mr. TUDOR.**—The honorable member must know that the Convention which was held in London after the wreck of the *Titanic*, and to which such pointed reference was made the other evening by the Minister for Trade and Customs, was representative of the chief maritime nations of the world. I regret that there are not sufficient copies of that Convention available to permit of every honorable member being supplied with one.

**Mr. RODGERS.**—I am objecting to the diversity of laws which would be operative under the conditions I have indicated.

**Mr. TUDOR.**—If the honorable member will read the Convention in question he will see what it did in 1914, prior to the outbreak of war, was practically to bring the navigation laws of other countries into conformity with the law which we enacted in 1912. The men employed upon our ships who do the most laborious work have not been treated as they should have been, and I desire to see their accommodation improved.

**Mr. RILEY.**—Any improvements which have been effected in their conditions have been due to their own organization.

**Mr. TUDOR.**—I stated that earlier in the debate. I am merely asking that those conditions should be stabilized, and that we should place

upon our statute-book a Navigation Act which will be as up-to-date as was the Navigation Act of 1912. In Committee I shall move an amendment in regard to shipwrights, but if the Minister will give me an assurance in regard to the installation of wireless telegraphy on board our coastal vessels, there will be no need for me to move an amendment in that connexion.

**Mr. GREGORY** (Dampier) [8.20].—I have not the slightest intention of discussing the technical details of this Bill, but I wish to say a few words concerning the northern part of Western Australia and the restrictions which may unintentionally be placed upon trade there—restrictions which may be detrimental to the best interests of the Commonwealth. I thank the Minister for Trade and Customs (Mr. Greene) very much for having, at my request, and in the interests of those who are pioneering Australia, withheld the proclamation of the Navigation Act, and for having brought forward an amendment which will enable him during these abnormal times to extend some consideration to the trade of the north and north-western portions of Western Australia. Had the Act been brought into operation without the amendments which are contemplated in this Bill, we should have absolutely crippled, and possibly have destroyed, the whole of the settlement in the northern parts of Western Australia. The proposed amendments to section 96 of the principal Act, which will empower the Minister to grant exemptions in certain cases, may very well be enlarged without in any way imperilling the efficiency of the Bill. I feel sure that honorable members opposite, who wish to make the measure as complete as possible, have no desire to destroy settlement in the northern parts of this country.

**Mr. MATHEWS.**—The seamen do not desire to do that.

**Mr. GREGORY.**—If honorable members were familiar with the conditions which obtain in the northern parts of Australia, they would not be so insistent in connexion with many matters which pertain to the policy of a White Australia, and would be disposed to make certain small concessions to those who are compelled to develop the northern parts of this country.—

**Mr. RODGERS.**—Nobody objects to that.

**Mr. GREGORY.**—The shipping position in Australia at the present time is undoubtedly abnormal. I am very glad that the Minister is to be empowered to proclaim the Navigation Act piecemeal, and I would like to clothe him with ample authority to grant concessions until the shipping trade of Australia once more becomes normal. A little while ago, a terrible drought was experienced in Queensland and New South Wales. Whilst that drought was in progress enormous quantities of fodder were lying in Western Australia, and surely it would have been almost criminal if ships coming from other countries, and calling at Fremantle, had been prevented from bringing that fodder to the eastern States. The Minister should have some power in that direction.

I wish now to refer to an incident which came under my notice whilst I was a member of the Pearling Commission, and which should induce this Parliament to do all possible to ameliorate the conditions of the settlers. Whilst taking evidence from a postmaster regarding the climatic conditions which obtained in the northern part of Western Australia, we were assured that, amongst other things, it was his duty to keep meteorological records, and that his reading of the dry and wet bulbs disclosed that, on many summer evenings, there was 92 per cent. of moisture present in the atmosphere. He added that it was possible for a white man to live in such a climate, but that the life of a woman who had to go into the kitchen was a perfect hell. Now we are asking people to settle in these remote areas, and to build up this country. I am extremely desirous of extending facilities to those who are pioneering these places. Freezing works have been established at Wyndham, and similar works are about to be started at Carnarvon and Geraldton. I believe that most of the northern ports could support works of this sort, and if they were established, treble the quantity of stock could be carried in that portion of the country. The report of the party which recently traversed the north-western portion of that State shows the wonderful extent of territory that we have there, and the enormous numbers of sheep and cattle that it would carry if there were a near market for this

stock. In order to build up that area, I believe that the Government would be justified in offering a bonus with a view to attracting ships to that particular coast for the purpose of bringing fresh and frozen meat to the southern portions of this country, and giving increased facilities for settlement. It is quite impossible for us to retain that great territory unless we people and develop it, and some special effort should be made in this direction. The provision contained in this Bill, under which the Minister will be enabled to grant permits to continue in the service boats at present trading on that coast, until such time as other shipping is available, meets with my warm commendation. But I do hope that he will agree to a small amendment under which, instead of making these permits returnable in six months, the period will be extended to twelve months. Shipping companies require to make their contracts some time ahead, and a period of six months is scarcely long enough; though, when granting these permits, the Minister should insist upon all the coastal ports being served. I think we are making a great mistake in insisting upon white men going into the stokehold of vessels employed around the Queensland coast or the northern coast of Western Australia.

**Mr. RILEY.**—It would be all right if the vessels burned oil fuel.

**Mr. GREGORY.**—That would make an enormous difference, but we have not yet oil fuel vessels in the service, though I would not be surprised at oil being discovered in the nor'-west. The tropical conditions are so severe that it is impossible to get the same class of labour in the northern as can be obtained in the southern parts of Australia. Honorable members must extend some consideration to those persons, who, apart from severe climatic conditions, have to face immense difficulties in connexion with drought, in the matter of obtaining necessary supplies, and the absence of all the amenities of civilization. I trust that, in this Bill, the Minister will make the small concession for which I have asked.

**Mr. MATHEWS** (Melbourne Ports) [8.29].—Hitherto there has been a good deal of sentiment surrounding the men who go down to the sea in ships. Much poetry has been written upon the beauties attaching to a sailor's life. Indeed,

upon one occasion, the British Government specially subsidized a poet to write songs of the sea with a view to inducing the young men of the Old Country to embark upon a maritime calling. To the seamen themselves, however, there is very little sentiment connected with their avocation. On the contrary, very strong language is frequently used in regard to it. I intend to discuss this question from the stand-point of the seamen themselves, and not from that of a first class passenger in the saloon of a well-appointed ship. A long time back what were known as coffin ships were very much in evidence. Some owners used to insure their vessels and have them sunk in order to get the insurance money. The lives of the seamen were never considered. Conditions in the past were so horrible that it is a wonder men were got to work on ships. I suppose the sentiment with which a seaman's life was surrounded induced some men to go to sea, and crews were often recruited from boys who wished to get away from the Old Country. The conditions which prevailed were, however, so bad that I think many of the men must have been brought very close to the edge of starvation before they consented to sign on.

Mr. STEWART.—They were brought very close to starvation afterwards.

Mr. MATHEWS.—Exactly. We all know that the services of crimps were used to man ships, and we are told that this evil is still in existence.

After all that has been attempted, from the day of Plimsoll down to the present, to render ships safe and to provide for the safety of those who go down to the sea, the difficulties and trials of sailors are still great, although not so bad as formerly. The Minister (Mr. Greene) in introducing the Bill alluded to the fact that, with all his ingenuity, man had not succeeded in building an unsinkable vessel. We know that many million pounds have been spent on well appointed ships, but any special provision made has been for the benefit of the passengers, and not of the crews. I hold that for the limited time passengers are on board ship they could put up with a little discomfort, and that full provision should be made for those who are obliged to live permanently on the sea. We all admit now that the seaman is a human being and ought to be considered, just as his fellow men are.

Hence our attempt to bring in a navigation law to improve his conditions. Other nations have followed in our footsteps. The International Conference is following very closely the Bill which we passed in 1912 but never proclaimed, but we are informed that the delegates to that Conference, while recognising that our law does not contain too many provisions for the benefit of seamen, are indicating where many improvements could be effected.

It is now proposed that portions of Australia shall be exempted from the operations of the Navigation Act. The western coast, for instance, is to be exempted. But there ought to be some limitations in this regard. I have no desire to isolate the people on any particular portion of the Australian coast, which would be the case if the exemptions were not made, unless the Government chose to run their own ships, but my contention is that we ought to demand from every country in the world that conditions should be provided on their ships which would obviate the necessity for making these exemptions. They ought to be asked to see that their standard is that which we have laid down in our Act. However, our seamen will see to this. They have no desire to interfere with the position of people on any part of our coast, but at the same time they contend that these exemptions from the operation of the Act should not be used to their detriment.

Recently I introduced a deputation of seamen to the Minister (Mr. Greene), who was very courteous in listening to what they had to say, and promised to give their representations consideration, but it was the usual stereotyped reply. I hope that the consideration given to their requests will be satisfactory to them. One thing they complained about was that they should have been consulted before this Navigation Bill was submitted to Parliament. In days gone by the employer always said that it was not the place of the workmen to interfere with his business. He ran his own business, and would not let a workman interfere with it. But that day has gone. We are in a new world, and the employers recognise that the man who works for wages will demand, and, in fact, has demanded and received, better terms than were conceded to him in the past. I hope that the workers will continue to demand and get

better terms until their position is improved. But there is only one method by which their conditions may be improved, and that is by consulting them when anything in which they are interested is under consideration by a Government or any one else. The sailors contend very rightly that they should have been considered in this case. They claim that they are at the mercy of shoremen. Parliamentary representatives of seaport towns are mostly men who have never been to sea, and while they may exercise the ordinary amount of common sense with the opportunities they get of seeing the conditions on ships, and how essential it is to improve them, they can by no stretch of imagination place themselves in the position of the seamen themselves. They can only do so by actual experience of the conditions under which these men are asked to work.

**Mr. LAIRD SMITH.**—When the Navigation Bill was under consideration there were three honorable members who worked on it—Messrs. Archibald, Roberts, and Guthrie—who were essentially practical men; in fact, three more practical men could not be found in Australia.

**Mr. MATHEWS.**—That is quite correct, and the Bill passed in 1912 was the best we could get up to that time; but since then the world has advanced marvellously. The British Government, who felt that we were bringing into operation something that might work against their mercantile marine, are now asking that the conditions of seamen should be raised to the standard that was brought about by the war. We now realize the fact that no vessel can go to sea without seamen. That being the case, the men were perfectly justified in claiming that before the introduction of this Bill, they or their representatives should have been consulted. The secretary of the seamen asked the Minister, "How would the farming community like to have laws made for them without first consulting them or their representatives?"

**Mr. PROWSE.**—We have never been consulted.

**Mr. MATHEWS.**—I have been in this Parliament for thirteen years, and day after day for the whole of that period I have heard appeals from the farmers. There were always plenty of friends of the farmers in this Parliament. It was a marvel to me that there was any necessity for forming a Farmers' party.

I want to show how essential it was to have consulted the seamen. Since the Navigation Bill was passed in 1912 the Commonwealth Government have built ships in different parts of Australia, but the conditions provided for the sailors on the vessels launched at Williamstown are not as good as those on the old Australian line purchased by the Prime Minister (Mr. Hughes). That statement was made by the seamen to the Minister (Mr. Greene). They gave the dimensions of the accommodation provided. They explained how, in regard to the dining-room for the seamen, if a man went inside and sat down to a meal, he could not get out again until the other men nearer the door had finished and gone outside. And this is the result of our efforts, although the desires of the seamen for improved conditions have been known to us. When the demand is put forward that better provision should be provided for sailors, the argument is advanced that the structural arrangements of the vessels prevent improvements of the character being effected.

**Mr. BURCHELL.**—Does the honorable member say that the Commonwealth vessels are not built in conformity with the conditions laid down in the Navigation Act?

**Mr. MATHEWS.**—I am telling the honorable member what the position is. It is the seamen who make this statement, and if it is to continue there will be trouble.

**Mr. BURCHELL.**—The honorable member does not say that the vessels have not been built in conformity with the Navigation Act.

**Mr. MATHEWS.**—My contention is that if the Act has produced the conditions which the sailors say it has, and if these vessels with this accommodation comply with the provisions of the Act, we might as well tear up that measure and start all over again. There are probably men who still consider that the sailors are asking for too much. The seaman does not go on a voyage for the sake of his health, or for a holiday. When he is on a ship he has to work. He is away from his home, and is obliged to conform to certain conditions. His liberty is circumscribed. He can hardly be said to be on a parallel with other individuals. Once he signs articles he is in the power of the master of the vessel. There are provisions in the Navigation Act which make it a

crime for a sailor to do what men on shore would be rewarded for doing. The seamen admit that insubordination must be prevented. They realize that, to a certain degree, people's lives, even their own, are at stake when insubordination arises, but they contend that the conditions under which they work should be such as would not produce insubordination or mutiny. I do not think they are asking too much in this respect. If their request is not conceded there will be trouble. I am not talking about any intention to strike or anything of that sort. If the men who will be compelled to work under the provisions of this measure are not satisfied, a strong attempt will doubtless be made by them to improve their conditions, and quite recently we had an example of their determination. It is the duty of honorable members to see that the conditions under which these men work are such that they shall be assured of a reasonable amount of comfort—much more than sailors have had in the past—and if this is not done there is sure to be trouble.

In connexion with the construction and manning of ships that have to pass through the tropics, provision is being made for the supply of ice-chests to preserve meat and other commodities. But ice-chests are useless in the tropics, as the meat becomes putrid. Under these circumstances, it will be necessary for the seamen to revert to the "bully beef," used in Nelson's time. As ice-chests are of little use in tropical regions, it is necessary that a refrigerating plant should be installed on all ships, so that the seamen can be assured of receiving supplies of fresh food. Even if ice-chests are supplied, it is more than probable, according to the statements made by the men, that they will be placed in the vicinity of the boilers.

Mr. WATKINS.—I have seen men sleeping in the vicinity of the boilers when ships have been in the tropics.

Mr. MATHEWS.—That is so. In my youthful days I understood, and since then the impression has been confirmed, that of all the "hell" ships afloat, the American vessels were the worst. Most of us have read of the dastardly actions of American ship-masters in ill-treating their men—as has been the case on some ships in the British Navy—and if we make the conditions too stringent, our ships will be placed at a

disadvantage as compared with those of other maritime nations. The United States of America holds an important position as regards her mercantile marine, but I believe that on some American vessels the degree of comfort is not up to the British standard. I have heard sailors speak of the hardships they have experienced on American vessels; but conditions must be changing, because I have had a document handed to me which was drawn up by Mr. P. J. Aldous, the secretary of the Port Phillip Shipwrights Association, setting out full particulars of the accommodation provided on the American steamer *Liberty*, which recently arrived from America. This is not an isolated case, and it proves conclusively that American ship-owners are making the conditions so good for the seamen that we shall have to make very drastic changes if we desire to reach their standard. For the information of honorable members, I quote the following statement concerning the steam-ship *Liberty*, to which I have referred:—

#### S.S. LIBERTY.

Seamen's Quarters (under poop).—To accommodate 12 seamen. Size, 34 feet by 13 feet by 7 ft. 6 in., approximately 276 cubic feet per man (twice as much as ours). Berths—iron spring beds, supplied with bed and bedding, which is changed once a week. Berths situated six at each end, leaving a space of 18 feet in the centre, where an ash table, 12 feet by 2 feet was placed, also 12 steel lockers, one for each man, dimensions, 3 feet by 1 ft. 3 in. by 1 ft. 8 in. Ventilation—5 12-in. port-holes, one ventilator, and fly or screen door. Four double electric lights, 25 candle-power each. Two fans for cooling purposes. Four radiators for heating.

Mess Room for Seamen and Firemen.—Size, 17 feet by 15 ft. 6 in. by 7 ft. 6 in. Two ash tables, 10 feet by 2 feet—sailors one table, firemen the other. All pantry appliances, racks, and lockers for same. Three electric lights, fans, and radiators. Full-paid mess-room steward, to keep everything in order.

Carpenter and Boatswain's Accommodation.—Room under poop, size, 11 feet by 9 feet by 7 ft. 6 in., approximately 370 cubic feet per man. Two bunks and one couch, upholstered in leather. Two drawers under each bunk, size, 2 ft. 9 in. by 2 feet by 1 foot. One skylight, 4 ft. 6 in. by 3 feet, to open right back, fly-proof netting. Bed and bedding supplied, and changed once a week. Four steel lockers, same as supplied to seamen. Five electric lights (25 candle-power), one arranged over each bunk for reading purposes. First class wash basin, and mirror in oak frame, 2 ft. 6 in. by 2 feet, with conveniences for shaving and toilet gear. High-class table on brass stand, underneath portion fitted with

arrangement for holding glasses and decanter, size of table, 2 feet by 1 ft. 8 in. Brass spittoon. Fly or screen door, also panelled door, both fitted with double locks, also door curtain. Carpet and mats.

Carpenter and Boatswain's Messing Accommodation.—Situated on hurricane deck. Steward to keep same in order.

Carpenter's Shop.—Situated under forecastle head. Size, 15 feet by 7 feet by 8 feet. Bench fitted with one large-size quick-acting vice, also one quick-acting bench clamp vice. Lockers and racks for tools.

Hospital.—Situated under forecastle head. Size, 15 ft. 6 in. by 13 ft. 6 in. by 7 ft. 6 in. Fitted with four berths. Hot and cold water. Plunge bath and shower and sanitary arrangements fitted in same (can be completely isolated). Toilet arrangements. Three electric lights, radiators, and fans.

Carpenter and Boatswain's Bathroom.—Situated on hurricane deck. Hot and cold plunge bath, with shower; all other conveniences.

Sanitary system.—Running water all the time throughout the ship.

**Mr. BURCHELL.**—How does that compare with the Canadian Government line?

**Mr. MATHEWS.**—No information is given on that point. I know that it would sound ridiculous to some of our crusty old Tories to suggest that accommodation such as that I have mentioned should be provided for "common" sailors, and probably there are some in our midst who would exclaim, "What rot!" We are justified in claiming that men who have to earn their livelihood at sea should have living conditions similar to those enjoyed by men employed ashore. Nobody can say that too much consideration has been shown to the men on the steamer *Liberty*.

Seamen are rather afraid of Acts of Parliament, and the officials of the organization consider that they can read an Act that applies to sailors as well as any one else. The representatives of the seamen have perused this measure very carefully, and have taken exception to certain clauses in it. Their views on these points have already been placed before the Minister for Trade and Customs, who allayed their fears as to the construction to be placed on some of its provisions. If the position is as the Minister stated, I think they will be satisfied; but they are rather afraid of the manner in which the measure is drafted, as they believe its provisions can be used in a way that will prove detrimental to them. The men protest most strongly against the

proposed alteration of the definition of "seaman" by the insertion of the following section after section 28 of the principal Act:—

28A. For the purposes of this division "seaman" and "apprentice" include any person who is seeking employment as a seaman or apprentice (as the case may be), or who is engaged or supplied, or who is offered for engagement or supply as a seaman or apprentice on board a ship.

This definition of "seaman" will, it is said, result in lowering the professional status of a seaman, and will, if enacted, be the means of causing ships to be manned with incompetent crews, thereby making them unseaworthy and endangering the lives of all on board. The seamen's representatives propose that the definition of seaman in Part I., section 6, of the principal Act, viz., "'seaman' means every person employed or engaged in any capacity on board a ship, except masters, pilots, and apprentices, and persons temporarily on the ship in port," should be allowed to stand without any alteration.

**Mr. GREENE.**—The amendment will not have the effect they fear.

**Mr. MATHEWS.**—At any rate, they are afraid of the wording, as they believe, in the event of trouble arising between the ship-owners and the seamen, that the captain or the marine authorities could place a crew on board that did not comprise experienced sea-going men.

**Mr. GREENE.**—It will not have that effect. I will explain these provisions more in detail when the measure is in Committee.

**Mr. MATHEWS.**—I am glad to have the Minister's assurance on that point. The conditions under which the men are working at present are such that they are justified in endeavouring to improve them, and it is hoped that nothing will be enacted that will be the means of endangering the lives of those on board by manning ships with incompetent crews.

The representatives of the seamen are also anxious that sub-section 3 of section 136 of the principal Act shall be amended by striking out all the words after "crew" first occurring. That sub-section reads—

The owner of every such ship shall provide such sanitary, hospital, and lavatory accommodation, including bathrooms, as, in the opinion of a qualified medical inspector nominated by the Minister, is sufficient for the requirements of the crew, and in the case of

steam-ships the provision shall include an adequate supply of hot fresh water for the use of all members of the crew employed in connexion with the engines of the ship.

The seamen's representatives are anxious that the concluding portion of the subsection shall be omitted, as they consider that every man who is engaged in working a ship should be entitled to use hot water for bathing purposes. I trust the Government will give careful attention to this suggestion, as it is one that is worthy of their consideration.

There are a number of punitive clauses which relate particularly to cases of desertion. A sailor may be called a deserter if he failed to join his vessel when it left port, but there are many causes which may prevent a seaman from so doing. The punishment provided in this case is very severe.

Mr. CONSIDINE.—Why should a seaman be punished any more than an engine-driver?

Mr. MATHEWS.—Exactly. The conditions have been stringent in the past, and owners of ships are afraid to allow seamen to have the liberties that are enjoyed by other individuals. Under the provisions of the Bill they can be fined to the extent of £20.

Dr. EARLE PAGE.—The passengers, as well as the members of the crew, have to obey the captain.

Mr. MATHEWS.—I am not speaking of the time when ships are at sea. The seamen admit that while much is demanded of them at sea, it is unfair to enforce such penalties if they fail to join their ships. A man who does not go on board his ship when she is ready to sail can be fined £20.

Mr. FENTON.—By whom?

Mr. MATHEWS.—The captain has that power. There are many other punishments to which sailors object as unfair, and we shall endeavour to get them altered when the opportunity occurs.

The demeanour of honorable members to-night shows that they consider that sailors deserve fair and just treatment; but I trust that when they come to details they will not be satisfied to make things merely better than they used to be; it would not be sufficient to do that at the stage of civilization which we have reached. I say to the members of the Country party, and to the Ministeralists, that the prosperity of our farming and

commercial interests is bound up with the well-being of our seamen. Undoubtedly Australia will continue to purchase or build ships for the conducting of oversea traffic under her own control.

Mr. TUDOR.—And Inter-State traffic, too.

Mr. MATHEWS.—Yes. We have proved that it is foolish to lie at the mercy of ship-owners abroad. A great deal is being said about Lord Inchcape and his attempt to control the shipping of Australia. He even went so far as to threaten this Government because of the shipping lines which it owns. His conduct is enough to prove that our commercial and rural interests demand that Australia shall govern her own shipping. But if their ships are to succeed, the conditions on board them must be vastly superior to those which now obtain. Men, nowadays, are ready to resort to direct methods if they cannot otherwise secure what they want. Every part of the community is organizing to protect its rights, and the seamen, if their conditions are not improved, will themselves take action to improve them. Unfortunately we have the evidence of sailors themselves, that even the vessels which have been constructed in Australia do not provide what they deem necessary in the way of accommodation. If that be so, how can ship-owners elsewhere be expected to make adequate provision for those who man their ships? Merely from a selfish point of view it behoves the people of Australia to look after the interest of the sailors better than they have been looked after in the past, and to remember that those who cannot otherwise obtain what they deserve will resort to direct methods to get it.

Mr. STEWART (Wimmera) [9.4].—I rise to support the appeal made by the Leader of the Opposition (Mr. Tudor), and the honorable member for Melbourne (Mr. Mathews), for the improvement of the conditions of our merchant seamen, particularly on the Australian coast. The latter put his finger on the spot when he said that the mere betterment of the conditions of the past would not suffice. What we should aim at is to put the seamen on an equality with those who live on shore. In trying to do that we must not take as a guide the conditions of British seamen. For a number of years

my lot was cast among British seamen on British ships, and I speak moderately when I say that the conditions under which we lived were a disgrace to the British flag. Some years ago, in the early days of this Parliament, an inquiry into the condition of seamen was set on foot with a view to some alteration of the navigation laws.

Mr. TUDOR.—There was a Shipping Commission.

Mr. FENTON.—Of which the present Prime Minister (Mr. Hughes) was chairman.

Mr. STEWART.—If my memory serves me, its inquiry was made about 1904 or 1905. A Port Phillip pilot giving evidence before it said, among other things, that he would not send his dog to sea under the conditions which then existed; that British seamen were the worst fed in the world, and British captains, as a rule, preferred foreign seamen, because they would stand more than British seamen.

Mr. WATKINS.—There is no doubt about that.

Mr. STEWART.—When in Cardiff, some years afterwards, I was taken by a friend to one of the docks where a ship was signing on her crew, and at the gangway was the notice "No Britishers need apply." This was in a British port, bear in mind. The captain made it a rule to sign on none but foreigners, because Britishers gave too much trouble at sea. Most of those who have been to sea in British ships, particularly sailing ships, will corroborate my statement that, at the outbreak of the war, four-fifths of the men before the mast were foreigners, though most of the officers were Britishers.

Mr. WATKINS.—In some cases the officers under the captain were foreigners.

Mr. STEWART.—In many cases.

Mr. WATKINS.—And a percentage of the captains were Germans.

Mr. STEWART.—One of the reasons why conditions were so bad was that, notwithstanding the poetry about the sea to which the honorable member for Melbourne Ports referred, English lads were not attracted to a sea life.

Mr. TUDOR.—What was the pay—£3 per month?

Mr. STEWART.—Less than that, in many cases. I signed on out of the port of Melbourne in 1905 for 50s. per month. The food, the wages, and the conditions on

board ship were such that English lads were not attracted to the sea in any number, and consequently the British mercantile marine was largely manned by foreigners. The effect of this was seen, when the war broke out, to be suicidal. Many a British ship during the war failed to reach port because of the foreign element in her crew. We want to guard against this with regard to our merchant seamen on the Australian coast, by making the conditions such as may attract our lads to sea. If we do that it will be better for everybody, and better for the nation, particularly in time of war. I was rather surprised, as I think the whole House was, to hear the statement of the honorable member for Melbourne Ports that the forecastle accommodation on the new Commonwealth steamships was unsatisfactory. I hope that statement will be inquired into, because it is rather an extraordinary one to make, and a scandalous thing if it is true. We in Australia should not set up for our seamen a standard based on the conditions given to the seamen of Great Britain. We should insist on a fair standard for the other nations of the world to copy, in spite of the plea of uniformity raised by the honorable member for Wannon (Mr. Rodgers). If the honorable member meant by uniformity that we should lower our standard to conform with that of the British Mercantile Marine, I for one will not favour such a proposal. Although I am a country representative, I took the opportunity of rising to-night in order to put up a plea for the men among whom my lot was cast for a number of years, and because the organized farmers of Victoria have adopted the principle that, while they are out to secure justice for the men on the land, they are prepared at all times to give justice to all other sections of the community.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Clause 2 (Commencement).

Mr. TUDOR (Yarra) [9.13].—Can the Minister give the Committee any information as to what parts, if any, of the principal Act are now in operation? I understand that a certain portion of it

was proclaimed, but that that proclamation was revoked. This clause provides that the Bill shall commence on a day to be fixed by proclamation. I am more concerned about how much of the principal Act is in operation than I am about this Bill.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.14].—I have not the details of the actual parts and sections of the principal Act that were proclaimed, but the position is that, after the proclamation was actually issued, we found it was practically impossible to give effect to the Act.

**Mr. TUDOR**.—Did you revoke the whole lot?

**Mr. GREENE**.—It is not revoked yet, but it will be. Then as soon as we are in a position to do so, it may be that the major portion of the Act will be put into operation. The Bill provides for that in the following clause.

Clause agreed to.

Clauses 3 and 4 agreed to.

Clause 5—

Section 1 of the principal Act is amended by adding, at the end of sub-section (2), the following proviso:—

Provided that notwithstanding that a date has been so fixed for the commencement of any Part, Division, Section, or Schedule, such date of commencement may, at any time prior to that date, be postponed to such later date as is fixed by proclamation.

Section to be amended—

*This Act . . . shall commence on a day to be fixed by proclamation . . .*

**Mr. TUDOR** (Yarra) [9.15].—This is one of the most vital portions of the Bill. A lot of the trouble that has arisen has been caused by the continual postponements. I realize that the original postponement owing to the then existing conditions was absolutely necessary, but we are getting out of those conditions to-day, and what I am pleading for is a definite statement as to the time when we are likely to make a start in rendering our navigation legislation effective. It is of no use to hold the Act before the seamen and others employed on ships as a placard, with the assurance that at some time or other we are going to confer these benefits on them. That is one of the things that the seamen complain of, and rightly so. Can the Minister tell the Committee what has been done with the British Merchant Shipping Act, and with regard to the Convention, and the amending Act which

was passed and assented to on the 1st August, 1914, just prior to the war? Is that Act in operation so far as Great Britain is concerned? If it is, there is no reason why the Australian Act should not be put into operation. Whilst in the case of most of our Acts we bring the whole measure into operation at once, this legislation is cut into sections, and it is provided that we can put different sections into operation at different times. If a good deal of this legislation were put into operation it would save a great deal of difficulty and trouble such as we have experienced in the past.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.17].—The British Act to which the honorable member has referred is not yet in operation. The British authorities have found themselves up against very much the same class of difficulty that we have experienced here. The abnormal conditions arising out of the war have not entirely passed away, and they have been unable to proclaim their Act, just as we have been unable to proclaim ours. We are pressing on as rapidly as possible with all the preparatory work, but a great deal has yet to be done to place us in a position to proclaim the whole Act. It is the intention of the Government at the first possible moment to bring the whole Act into operation. I can give the honorable member the further assurance that, as our preparations to take over from the States the whole administration of navigation are completed, and we find ourselves in a position to proclaim any portion of the Act which can with advantage be brought into operation, we shall immediately do so. As I pointed out in my second-reading speech, the position is still abnormal in many directions, and we could not with advantage to the country as a whole, notwithstanding our desire to put this Act into operation at the first possible moment, proclaim it just at present. I can, however, give the Committee the definite assurance that it is the desire and intention of the Government to proclaim the Act at the first possible opportunity.

**Mr. RYAN**.—What are the difficulties in the way?

**Mr. GREENE**.—There are quite a number of matters which we are not ready to handle. A great deal of preparatory work has to be done, and officers have to be appointed. We are proceeding with

the making of those appointments as rapidly as we can. We have also to make all the necessary preparations for taking over so many of the State servants as are required in the circumstances. The Director of Navigation is now busily engaged on those things, and I hope it will not be long before we are in a position to proclaim practically the whole Act.

**Mr. FENTON** (Maribyrnong) [9.20].—I do not wish to attach special blame to the Ministry, but, speaking generally, in matters relating to the mercantile marine, there appears to be a desire to see what Great Britain is doing before taking action. The principle seems to be that what she does we may safely do. In 1912, this Parliament passed a Navigation Bill that was declared by the British Board of Trade to be a hundred years ahead of its time. Within less than two years, however, the British Government had to admit that in that measure the Australian Parliament had laid the foundation for the navigation laws of the civilized world. Under this clause the Minister takes power to withhold the issue of certain proclamations bringing the Act into operation. Are we to wait until the people of Great Britain take certain action, and then meekly follow their lead, or are we again to take the lead in navigation matters, and set an example to the rest of the world?

**Mr. TUDOR**.—I do not think this measure would be assented to if it were very far in advance of the Imperial law.

**Mr. ATKINSON**.—It is a Bill that affects the Empire as a whole.

**Mr. FENTON**.—We call ourselves a self-governing community, and while we must have some regard for the mercantile operations of the rest of the world, are we to hesitate to confer certain benefits on the seamen of Australia because of a fear that the Bill providing for those benefits may not be assented to some 12,000 miles away? The time has come when we should put up a fight. The King's representative in Australia cannot in the name of His Majesty assent to this Bill. It must go overseas to receive the Royal assent.

**Mr. TUDOR**.—Clause 2 declares that to be so.

**Mr. GREENE**.—We are obliged to reserve this measure for the Royal assent.

**Mr. FENTON**.—I recognise that certain measures must be reserved for the Royal assent; but many people say there are numerous restrictions which ought to be eased. If the Government put up a decent fight, there would be a relaxing of this tieing-up process, but if there is a lack of "fight" on this side, we shall continue to remain at the apron-strings.

**Mr. GREENE**.—What is the honorable member talking about?

**Mr. FENTON**.—I object to this clause, which gives the Government power to withhold the issue of the proclamation bringing the measure into operation. In other words, it provides that they are to wait for a lead by others.

**Mr. GREENE**.—It has nothing to do with the question of the Royal assent.

**Mr. FENTON**.—My electorate does not touch the sea at any point; but eight years have elapsed since the original Navigation Act was passed, and while I admit that war conditions have prevented the bringing of that Act into operation, I feel that we ought not always to live under the shadow of the Great War. Are we never to attempt to return to normal conditions? I protest against this handing over of power. Let us have this measure passed and brought into operation as soon as possible.

**Mr. MAHONY** (Dalley) [9.25].—I do not think it fair to delay the bringing of this measure into operation. The reasons for delay advanced by the Minister (Mr. Greene) are not very sound. He says that the Government have not had time to make the necessary arrangements. The flaw in his argument is that the original Act was passed in 1912, so that both the Government and the shipping companies have had many years in which to make the necessary preparations. It seems to me that this is a piece of humbug on the part of the Government. They are promising some illusory thing to the seamen and those following mercantile pursuits. They have been dangling this measure before their eyes for years, and it is time for us to take a definite stand. Parliament and the country should tell the Government in unmistakable terms that they are not to humbug the seamen any longer.

**Sir JOSEPH COOK**.—What a nasty thing to say!

**Mr. MAHONY**.—Those who go down to the sea in ships are working under nasty

conditions, an improvement in which has been promised them for years. The Government have said to them, "Be good boys; do nothing wrong; and in the sweet by-and-by all the good things for which the Navigation Act provides will be given you."

Sir JOSEPH COOK.—Is the honorable member referring to the five years during which the Labour party were in power? They dangled this thing before the people during that time.

Mr. TUDOR.—We forced the original Navigation Bill through, in spite of the bitter opposition of the right honorable member and his party.

Mr. MAHONY.—Quite so. There was no more bitter opponent of the Navigation Bill than the right honorable member.

Sir JOSEPH COOK.—That is not so.

Mr. MAHONY.—We are all prepared to admit that it was impossible to bring the original Act into operation during the war.

Mr. GREENE.—That Act was passed with the unanimous consent of the Parliament.

Mr. MAHONY.—But it was allowed to remain in abeyance for years, because of the crisis through which the world was passing. But for the mercantile marine of Great Britain, the Allied countries would have been starved. They made it possible for the Allies to win the war. They were promised that if they carried out their duties these improved conditions would be given them at the end of the war. Today, after five or six years of promising, they are told that they must wait for a further period. Either the conditions for which this Bill provides are right or they are wrong. The conditions demanded by the Navigation Act are right or wrong, and if they are right they should be complied with without delay. The shipping companies can have no ground for complaint in connexion with this matter, because they have had years of notice within which to prepare for the enforcement of the provisions of the Act. They have not done so because they have been too busy building up huge dividends during the war, and have neglected to so improve the accommodation for seamen on their ships as to comply with the requirements of the Naviga-

tion Act. I shall strenuously oppose giving the Government power to postpone the operation of one of the provisions of the measure.

Mr. BURCHELL (Fremantle) [9.32].—The honorable member for Dalley (Mr. Mahony) has taken up the cudgels on behalf of the seamen, and if the facts were as he has represented them, there would be grave cause for complaint. But if we take into consideration the ships trading on the Australian coast to-day, it will be found that a very small percentage of them indeed do not, in respect of the accommodation provided for seamen, comply with the provisions laid down by the Navigation Act. The shipping companies have been preparing for the proclamation of the Act. I wish to remind the honorable member and the Committee generally that only a few months ago, when, unfortunately, we had a seamen's dispute affecting shipping on the coast of Australia, it was one of the terms agreed upon for the settlement of that dispute that every possible ship trading in Australian waters should, where necessary, be altered without delay to comply with the conditions imposed by the Navigation Act. It was one of the conditions of resumption of work by members of the Seamen's Union that the provisions applying to the accommodation provided for seamen should immediately be complied with whether the Navigation Act was proclaimed in force or not. I am surprised that the honorable member for Dalley, who represents a portion of Sydney Harbor, should not be aware of this fact. No proclamation of the Act will make the application of its provisions more binding than they have been made by the agreement by which the seamen's strike was settled and the men agreed to return to work.

Mr. MAHONY.—If that be so, what is the objection to proclaiming the Act?

Mr. BURCHELL.—I am not responsible for the drafting of the measure now under consideration, but I can give a reason for the inclusion of clause 5. It was discovered in Western Australia when certain sections of the original Act were proclaimed, that there was no power under the Act, once the proclamation was issued, to vary it in any shape or form. It was necessary to proclaim the whole of a division of the original Act, and

there was no power to proclaim a particular section or part of a division. Clause 5 of this Bill gives the Minister power to proclaim particular sections of any division of the Act. The necessity for such a power became apparent immediately when certain portions of the original Act were proclaimed in March of this year. If honorable members will read clause 5 of this Bill they will see that it is designed to overcome that difficulty.

**Mr. TUDOR.**—This goes very much further. It provides for the postponement of the proclamation to a later date.

**Mr. BURCHELL.**—My object in rising was to direct the attention of the honorable member for Dalley to the conditions in respect to the accommodation provided for seamen that exist in vessels trading in Australian waters to-day. Having achieved that object, I have no more to say.

**Mr. RYAN** (West Sydney) [9.35].—Before the clause is passed I should like to ask the Minister for Trade and Customs (Mr. Greene) how long it takes to secure the Royal assent in the case of a Bill that is reserved for that purpose?

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.36].—The question is rather a difficult one to answer. The Leader of the Opposition (Mr. Tudor) will probably confirm what I am about to say as to the time that elapsed before the Royal assent was given to the original Act. I think it was over twelve months.

**Mr. FENTON.**—That would not apply to this measure.

**Mr. GREENE.**—In the case of the amending Navigation Bill which was passed in the last Parliament, and which was a short measure, we cabled the provisions of the Bill to the Old Country, and the Royal assent was cabled to Australia after a delay of about ten days.

**Mr. RYAN.**—What was the purpose of that Bill?

**Mr. GREENE.**—I cannot remember the whole of the matters with which it dealt, but it was passed mainly in order to enable us to proclaim a portion of the Navigation Act at any given time, and to avoid the necessity of having to proclaim the whole of the Act at once. As

the original measure was drawn it could be proclaimed in force as a whole, with the exception of the coastal trading provisions. There was a section under which it was necessary that the coastal trading provisions should be specially proclaimed, and we put through a short amending measure to enable us to proclaim the Act in force piecemeal, and also to enable us to extend the provisions of the Act to the territories which under mandate are to come under the control of the Australian Parliament. As the Bill now before the Committee contains no new principle, and is submitted only that Australia may carry out its pledge to adhere to the conclusions of the International Convention, I imagine that the Royal assent to it will be received very shortly after a copy of the measure is received by post in England.

**Mr. RYAN.**—This is not one of the matters committed to the ex-Treasurer as part of his mission.

**Mr. GREENE.**—No, it is not.

**Mr. TUDOR** (Yarra) [9.37].—On the question raised by the honorable member for West Sydney (Mr. Ryan), I think speaking from memory, it was over twelve months from the time the Navigation Bill was passed by this Parliament before we received notice that the Royal assent had been given to it. The reason for the delay is, I think, to be found in the fact that its provisions were so radical when compared with other navigation laws in existence at the time. There cannot be the slightest doubt that the Board of Trade and the shipping people placed every obstacle possible in the way of its acceptance. I do not know what communications were received by the Department of Trade and Customs in connexion with the matter, but I have no doubt that the Board of Trade and the shipping people at Home desired that some of the stringent provisions of our Act should be watered down. As I have stated, it was the wreck of the *Titanic* soon after the passing of our Navigation Bill in 1912 that made it plain to the Governments of other countries that it was necessary to bring their navigation laws into line with that which we had passed. If the honorable member for West Sydney will compare our Navigation Act with the report of the Convention, which I

handed to him this afternoon, he will see that the articles of the Convention are in line with the measure we passed in 1912. A statement was made by the honorable member for Wimmera (Mr. Stewart) this afternoon concerning the Navigation Commission that considered the measure. I think the Commission sat from 1905 to 1907, and there was subsequently a Navigation Conference held in Great Britain, which was attended, on behalf of Australia, by the present Prime Minister (Mr. Hughes), the late Sir William Lyne, and Sir Harry Wollaston. The Navigation Bill was before every Federal Parliament from 1904 to 1912 on more occasions and in more various forms than even the Bill for the creation of an Institute of Science and Industry.

**MR. GREENE.**—The Navigation Bill was reserved for the Royal assent on the 24th December, 1912, and was proclaimed in Australia in October, 1913.

**MR. TUDOR.**—As the amendments contained in this measure are very slight, nothing like the same length of time should elapse before assent is given to it. But I am anxious that the provisions of the original Act should be put in operation. Of course, we have to take over certain marine services from the States; that work must be done.

**MR. GREENE.**—A vast deal of work has been done already.

**MR. TUDOR.**—I know that. I believe that the Navigation Act is twice as long as is any other measure that has been passed by this Parliament, and the regulations made under the Imperial Merchant Service Act are almost as numerous as those made under our own War Precautions Act. We ought not to wait for the Royal assent to this amending measure before giving effect to the provisions of the original Act.

**MR. GREGORY.**—Can the Act be put in operation in sections?

**MR. TUDOR.**—Under the amending Act previously passed by this Parliament, that can be done. This Bill does not make many material alterations in the existing law, which should be put in operation without delay.

**MR. RYAN** (West Sydney) [9.43].—I asked the question as to how long it would take to get the Royal assent to this

measure, not because I was unaware of the time usually occupied in the case of measures that are reserved, but rather in order to obtain an assurance from the Minister that he would endeavour to expedite the matter. There is no doubt that a great deal of dissatisfaction arose from the fact that the Navigation Act was not earlier proclaimed, although when the necessity arose for making an amendment, assent to the amending measure was obtained by cable. The honorable member for Fremantle (Mr. Burchell) has practically admitted that the seamen themselves forced action upon the Government. No wonder there are men who complain that parliamentary action is no good when they found that, as a result of their own direct action on that occasion, the Government were forced to take certain steps. It is unfortunate that the Government were not sufficiently alive to the situation to take action before they were forced to do so by the men. I quite agree with the remarks that fell from the honorable member for Maribyrnong (Mr. Fenton) with regard to the reservation of Bills. I contend that the Royal assent should be given upon the advice of Australian Ministers only. That is part of the programme of the Labour party, and I think the time is opportune to have that view placed before the Imperial authorities. An opportunity to do so was furnished in connexion with the mission of the ex-Treasurer (Mr. Watt). I should like to know whether any portion of the ex-Treasurer's mission was connected with navigation matters. Certain correspondence between the Prime Minister (Mr. Hughes) and the ex-Treasurer after he left Australia has been placed before the House, but I hope the Minister in charge of the Bill (Mr. Greene) will give the Committee some indication of the scope of the ex-Treasurer's mission. Perhaps he will be good enough to explain also whether the purposes of the ex-Treasurer's mission were set out in writing, so that we may know what the mission was and what communications from the other side of the world led to the honorable member for Balclava being sent to London. I do not think that the cables which have been made public by the Prime Minister can be properly interpreted until we know the scope of the ex-Treasurer's mission and authority, and

the circumstances in which the mission was decided upon.

Question—That the clause be agreed to—put. The Committee divided.

Ayes ...	... 32
Noes ...	... 17

Majority ...	... 15
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#### AYES.

Atkinson, L.	Hill, W. C.
Bamford, F. W.	Jackson, D. S.
Bell, G. J.	Jowett, E.
Bowden, E. K.	Lister, J. H.
Chanter, J. M.	Livingston, J.
Chapman, Austin	Mackay, G. H.
Cook, Sir Joseph	Page, Dr. Earle
Cook, Robert	Prowse, J. H.
Corser, E. B. C.	Rodgers, A. S.
Foster, Richard	Ryrie, Sir Granville
Francis, F. H.	Smith, Laird
Gibson, W. G.	Wienholt, A.
Greene, W. M.	Wise, G. H.
Gregory, H.	
Groom, L. E.	
Hay, A.	
Higgs, W. G.	

#### NOES.

Blakeley, A.	Nicholls, S. R.
Brennan, F.	Riley, E.
Considine, M. P.	Ryan, T. J.
Cunningham, L. L.	Stewart, P. G.
Gabb, J. M.	Tudor, F. G.
Lazzarini, H. P.	West, J. E.
Mahony, W. G.	
Mathews, J.	
Moloney, Parker	

#### PAIRS.

Watt, W. A.	Anstey, F.
Poynton, A.	Mahon, H.
Hughes, W. M.	Page, James.
Marr, C. W. C.	Makin, N. J. C.
Maxwell, G. A.	Lavelle, T. J.
Cameron, D. C.	McDonald, C.
Best, Sir Robert.	Catts, J. H.
Fleming, W. M.	Maloney, Dr.

Question so resolved in the affirmative.

Clause agreed to.

Clauses 6 to 11 agreed to.

Clause 12—

After section twenty-eight of the Principal Act the following section is inserted:—

"28A. For the purposes of this Division, 'seaman' and 'apprentice' include any person who is seeking employment as a seaman or apprentice (as the case may be) or who is engaged or supplied, or who is offered for engagement or supply, as a seaman or apprentice on board a ship."

**Mr. WATKINS** (Newcastle) [9.57].—This is a very indefinite definition. It sets out to define really what a seaman is, and a true description will have a great effect in putting down crimping, which has been, and still is, rampant around

the Australian coast. Seamen have expressed the fear that, under the section in the principal Act, an indefinite position would arise regarding the designation of a seaman, and how he should be shipped on to a vessel. The position was such that it admitted of other than practical persons being shipped, by any party, in any way, without proper check being placed upon their actions. But, in regard to the present proposal of the Government, I desire a clear understanding whether the other extreme has not been gone to in permitting the manning of ships by persons who have had no sea-going experience at all. Unless the position is made quite clear, considerable danger and trouble may arise in the manning of vessels. We should seek to ensure safety at this stage.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.59].—This is a matter to which the honorable member for Melbourne Ports (Mr. Mathews) referred, and in regard to which a deputation from the executive of the Seamen's Union waited on me some days ago. A fear was expressed that this definition, applying as it does, to this part of the measure, and to this part only, would weaken the general definition of seamen. It will not have that effect at all. In regard to the complaint made by the honorable member for Melbourne Ports that the seamen had not been consulted with reference to these amendments, I might say that they were inserted as a result of representations made by the executive of the Seamen's Union in order to checkmate certain boardinghouse-keepers or crimps operating in Newcastle. The term "seaman" or "apprentice" in the principal Act has a very definite meaning. A "seaman" means a person employed or engaged in any capacity on board ship, and an "apprentice" a person bound by indenture to the sea service. Some difficulty has arisen in consequence of this definition, and in a Court case at Newcastle, where a man was charged with illegally supplying seamen, the defence raised was that the person supplied was not a seaman within the meaning of the Act because he was not at the time employed or engaged on a ship. The Court upheld the point raised, so that although the man charged was guilty of the offence, he got off. The executive of the Seamen's Union then made representations to the

Government in connexion with the matter, and this amendment has been inserted to meet that case. Outside of sections 28 to 33 the definition will have no effect whatever. It will not affect the definition of "seaman" or the obligation thrown upon the employers of seamen in relation to any other portion of the Act. The only purpose is to safeguard the interests of seamen.

**Mr. MATHEWS** (Melbourne Ports) [10.4].—After the Minister's explanation, I think the seamen's representations were correct. Apparently the only reason for the definition is to prevent men from being crimped.

**Mr. GREENE**.—That is all.

Clause agreed to.

#### Clause 13—

Section thirty-nine of the Principal Act is amended—

(b) by omitting sub-section (3) and inserting in its stead the following sub-sections:—

"(3) No seaman shall be rated as 'greaser' who has not served six months as fireman at sea.

"(4) No seaman shall be rated as 'fireman' who has not served six months as a trimmer or fireman at sea.

"(5) No seaman shall be rated as 'shipwright' or 'ship's carpenter' who has not served an apprenticeship as shipwright, or three years at sea as ship's carpenter, as the case may be.

"(6) After the expiration of twelve months from the commencement of this Division, a seaman shall not be permitted to engage in any capacity unless he satisfies the Superintendent that he can pull an oar and handle a boat:

Provided that this sub-section shall not apply to the engagement of a seaman who has not previously served at sea.

"(7) Notwithstanding anything contained in this section, persons rated as greasers, firemen, shipwrights or ship's carpenters, before the commencement of this Division, shall continue to be entitled to be so rated."

#### Section proposed to be amended—

(3) A Superintendent before whom a seaman is engaged shall refuse to enter a seaman as A.B., O.S., greaser, or fireman, in the agreement unless the seaman gives to him satisfactory proof of his title to be so rated.

**Mr. TUDOR** (Yarra) [10.5].—Sub-clauses 3, 4, and 5 are quite right, and sub-clause 6 is a wise provision, as it states that a seaman must satisfy the Superintendent that he can pull an oar and handle a boat. But their value is destroyed by sub-clause 7, which states that any persons rated as greasers, firemen, shipwrights, or ship's carpenters, before

the commencement of this division, shall continue to be entitled to be so rated. I remember on one occasion at Cairns the captain of the *Wodonga* sent two men ashore in a boat to tie the ship up. The men promptly jumped ashore with the rope, and allowed the boat to float down the river. Naturally the captain used "language," and remarked that on the next occasion he would send a stewardess ashore, as she would do better. That was his opinion of the ability of those men. The provisions in sub-clauses 3, 4, and 5 are perfectly satisfactory; but I would go further, and say that no man should be engaged as a seaman unless he was able to swim. Under the clause as it stands, if a man is engaged on a vessel as ship's carpenter, he will be entitled to rate as such when the Act comes into operation; though, as a matter of fact, he might not be qualified for that position at all, and as much may depend upon his ability as upon any one else on board.

**Mr. STEWART**.—Do you not think that clause 14 meets that position to a great extent? It provides that a superintendent may refuse to enter a man as A.B., O.S., greaser, fireman, shipwright, or ship's carpenter, unless he gives satisfactory proof of his title to be so rated?

**Mr. TUDOR**.—No, because a man need only show his discharge as a shipwright in order to be rated as such. I suggest that the Minister provide, either in this or a subsequent clause, that the superintendent, before whom a seaman is engaged, shall refuse to enter him unless he gives satisfactory proof of his title to be rated. In Great Britain shipwrights hold certificates from the Board of Trade, but the Board of Trade in Australia does not undertake that duty. I suggest that shipwrights and carpenters be excluded from the operation of this clause, so as to compel the superintendent to see that only competent men are engaged, and that trained men may receive a certificate of competency.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [10.11].—I cannot see my way clear to accept the suggested amendment. What is done by the Bill is to bring under one clause all the scattered provisions relating to the rating of seamen. Under the original Act firemen and greasers and able seamen who are rated at the time of the passing of the Act are entitled to be so rated, and

we propose to treat shipwrights and carpenters in exactly the same way. I think that clause 14 fully safeguards the position, but I shall look into the matter between now and to-morrow.

Progress reported.

### MILITARY STORES, WESTERN AUSTRALIA,

**Mr. GROOM** (Darling Downs—Minister for Works and Railways) [10.15].—I move—

That, in accordance with the provisions of the Commonwealth Public Works Committee Act 1913-14, the following work be referred to the Parliamentary Standing Committee on Public Works for their report thereon, viz.:—Mobilization and vehicle stores at Midland Junction, Western Australia, with necessary railway connexion, water supply, &c.

That the Committee be empowered to sit whilst the House is sitting.

Already at Liverpool, in New South Wales, mobilization and vehicle stores have been constructed, and a report by the Public Works Committee relating to similar stores at Seymour, in Victoria, is now before the House.

**Mr. AUSTIN CHAPMAN**.—What is the special urgency for this motion to-night?

**Mr. GROOM**.—This work, which comprises the establishment of a mobilization stores dépôt, is both necessary and urgent. As explained previously to the House in connexion with the proposed establishment of a similar dépôt at Seymour, Victoria, the Commonwealth Government has arranged with the Imperial authorities for equipment and vehicles for five dismounted and two mounted divisions of the Australian Imperial Force to be sent to Australia. The equipment and vehicles have to be stored and issued as required. This material is now arriving, and the Western Australian portion of it will, it is proposed, be principally located in these stores at Midland Junction. It is, therefore, an extremely urgent necessity that the buildings be completed at the earliest possible date, as temporary storage accommodation for only a limited portion of the equipment is available. The decision to erect these stores at Midland Junction has been arrived at after very careful consideration by the expert officers of the Defence Department, after reviewing and inspecting other possible sites.

It is intended that the dépôt shall be connected by a special siding from the Western Australian railways. The buildings proposed to be erected consist of—

- (a) 1 ordnance store, 306 feet by 100 feet.
- (b) 1 equipment store, 153 feet by 100 feet.
- (c) 1 small arms ammunition store, 60 feet by 80 feet.
- (d) 1 vehicle store, 300 feet by 100 feet.
- (e) Office, 40 feet by 20 feet.
- (f) Caretaker's cottage, 55 feet by 46 feet.

The estimated cost of these, together with the accessory engineering services, is £34,267. The construction proposed for the store sheds is of the simplest description, consisting of hardwood wall and roof framing covered with galvanized corrugated iron, the types being similar to those which have been generally adopted for like structures erected and being erected at Liverpool, New South Wales; Seymour, Victoria; and elsewhere. The construction of the proposed cottage is intended to be brick.

The following detailed information is to be laid before the Committee:—

- A. Details of estimate of cost.
- B. Plan of site, showing proposed lay-out of dépôt and railway connexion.
- C. Type plan of Ordnance or Equipment Store.
- D. Type plan of Vehicle Store.
- E. Type plan of Small Arms Ammunition Store.

Further plans and particulars will be made available to the Parliamentary Standing Committee on Public Works, and any additional information required will be submitted later in the form of evidence.

The site consists of about twelve acres of land situated near Midland Junction, which is being acquired at a cost of £900 from the Millar Timber and Trading Company. This work represents a part of the scheme for the erection of similar stores in various parts of Australia.

**Mr. TUDOR** (Yarra) [10.19].—I think this is the first occasion on which on a motion of this kind it has been proposed that the Committee be empowered to sit whilst the House is sitting.

**Mr. RILEY.**—The Public Works Committee at present may, with the permission of the House, sit whilst the House is sitting.

**Mr. GROOM.**—It is not an unusual provision.

**Mr. TUDOR.**—I cannot call to mind a previous instance, and, in my opinion, such a provision will in all probability prevent certain members from attending to their duties here.

**Mr. GROOM.**—Section 10 of the Public Works Committee Act provides that the Committee shall not meet while either House of Parliament is actually sitting, except by leave of the House.

**Mr. TUDOR.**—In my opinion, it is a bad principle for honorable members to be occupied elsewhere while the House is sitting. Does this mean that the members of the Public Works Committee are going to Western Australia?

**Mr. GROOM.**—That is not the object of the provision, but it is open to the Committee to go to Western Australia if necessary.

**Mr. TUDOR.**—That condition has been embodied in this motion for the purpose of allowing the six members of this House who are members of the Public Works Committee to absent themselves from Melbourne while Parliament is sitting. I do not think that that is a wise principle to adopt. When the Committee of Public Works Act was passed it was expressly provided that the Committee should not sit whilst Parliament was sitting. If the work is urgent, cannot the information required be obtained in Melbourne?

Question resolved in the affirmative.

#### ADJOURNMENT.

POSITION AT COCKATOO ISLAND—MR. WATT'S RESIGNATION.

Motion (by Sir JOSEPH COOK) proposed—

That the House do now adjourn.

**Mr. MAHONY** (Dalley) [10.22].—I desire to direct the attention of the Minister for the Navy (Sir Joseph Cook) to the position which obtains at Cockatoo Island. The honorable gentleman will remember that a few weeks ago I pointed out that there was a considerable quantity of material lying on the island—material required for the construction of a coal ship—and that the work of building that vessel was not being proceeded with. As a result, numbers of men have been

thrown out of employment. I am credibly informed that considerably more than 800 tons of material for the construction of this vessel are now lying at Cockatoo. This material in itself is sufficient to enable work on the ship to be carried on for the next two or three months. Yet men are being discharged daily. Unless the work is proceeded with immediately some 500 or 600 hands will find themselves in idleness. I would strongly impress upon the Minister the desirableness of doing something in this matter. I hope that he will not allow himself to be bluffed by any statement to the effect that certain material is not to hand.

**Sir JOSEPH COOK.**—The honorable member desires that I should accept his word on the matter?

**Mr. MAHONY.**—I ask the honorable gentleman to make inquiries for himself. I have here a copy of a document which shows that all the necessary material for the superstructure of the vessel is already on the island. The only parts which are missing are parts which will not be required until the ship is practically completed.

**Sir JOSEPH COOK.**—What does the honorable member think is the reason for the delay?

**Mr. MAHONY.**—I do not know.

**Sir JOSEPH COOK.**—I do not. I only know what the manager says, viz., that he has not the requisite material.

**Mr. MAHONY.**—If the manager says that he has not the material necessary to enable the ship to be carried almost to completion, he is merely bluffing the Minister.

**Sir JOSEPH COOK.**—Why should he desire to bluff me?

**Mr. MAHONY.**—That is for him to say. The construction of the vessel has been approved, the material is lying on Cockatoo Island, and the work should be proceeded with.

**Mr. RYAN** (West Sydney) [10.26].—I ask the Minister in charge of the House whether an opportunity will be given honorable members at a very early date to discuss the important statement which was made by the Prime Minister (Mr. Hughes) on Friday last. Upon that occasion the right honorable gentleman gave certain information to the public which was contained in cable messages that had passed between himself and the late Treasurer (Mr. Watt). I gather from the press that in the

course of that statement the Prime Minister affirmed that Mr. Watt had resigned three times prior to his departure for London. No doubt that statement was made with a view to discrediting the late Treasurer.

Mr. WISE.—Why should it be?

Mr. RYAN.—I conclude that it was made with that object, particularly when I view it in conjunction with the Prime Minister's statement that the late Treasurer had deserted the duty that he was to perform for Australia on the other side of the world. I think that, in the public interests—not to speak of the interests of Mr. Watt himself, who is now about 12,000 miles distant—an early opportunity should be given honorable members to discuss this matter. For my own part, I do not think that anybody can come to a correct conclusion in regard to the contents of those cables unless he is placed in possession of the cable communications from London to the Commonwealth Government, which led up to the sending of Mr. Watt to England.

Mr. AUSTIN CHAPMAN.—The honorable member is not likely to see them.

Mr. RYAN.—It is necessary that we should see them in order that we may learn what was the requirement of the British authorities which led to the sending of the late Treasurer to London, and in order that we may be able to conclude what his authority ought to have been. In addition, I think we should know the actual instructions which were given to him when leaving here. What was the scope of his mission? I suppose that it is contained in some written document, a copy of which should be available to honorable members.

Sir JOSEPH COOK.—Why, it is all recorded in *Hansard*.

Mr. RYAN.—No, it is not.

Sir JOSEPH COOK.—Yes, it is.

Mr. RYAN.—Excuse me, it is not in *Hansard*. Does the Minister for the Navy say that the communication from the Imperial Government to the Commonwealth Government which led up to the decision to send Mr. Watt to London is recorded in *Hansard*?

Sir JOSEPH COOK.—I do not know of any communication from the Imperial Government which led to Mr. Watt's departure for London.

Mr. RYAN.—Was there not such a communication?

Sir JOSEPH COOK.—Not that I know of.

Mr. RYAN.—It is very extraordinary if the Government sent Mr. Watt to London without having some previous communication from the Imperial authorities. As far as I can gather from one reference in Mr. Watt's cablegrams, there must have been some such communication from the Imperial Government.

Then it is a matter of great interest to me to know what were the circumstances connected with Mr. Watt's three resignations. In fairness to the late Treasurer, should not the grounds for his resignations have been stated? If those resignations were in writing—and we have been told that they were—the documents should be produced. No doubt, in addition to containing an intimation of his resignation, Mr. Watt also notified what were the grounds for his action. I am sure the country would be interested to know what were the representations made to the late Treasurer that prevented him from insisting on his resignation being accepted. These are all matters of great concern to the people of Australia, particularly in view of the fact that we were told important business which had to be transacted on the other side of the world suffered in consequence of the Minister's delinquency. Therefore, at the earliest possible moment, honorable members ought to be given the opportunity of discussing the statements made by the Prime Minister, and endeavouring to extract the information I have referred to, and other information of a similar nature. I hope that the Minister for the Navy (Sir Joseph Cook) will be able to give us an intimation as to what are the intentions of the Government in regard to the question I am submitting.

Sir JOSEPH COOK (Parramatta—Minister for the Navy and Acting Treasurer). [10.32].—The further intentions of the Government in regard to the matter are nil. The honorable member for West Sydney (Mr. Ryan) might very well leave our little family quarrels alone. If he is very anxious to get into a fight, I have no doubt he could find plenty on his own side to concern him. He demonstrates plainly to-night that he is a true Irishman. He thinks there is a fight on, and he wants to be in it. I

think he had better keep out of it. I do not know that it concerns him very vitally.

Mr. RYAN.—I am only concerned in a family quarrel in so far as it affects the people of Australia, whose interests are neglected while the family is quarrelling.

Sir JOSEPH COOK.—But in the honorable member's opinion Australia's case is already hopeless. He went to Ballarat last night to tell the people there what an incompetent crew the Government had been for some time past. He has made up his mind. What concern, therefore, can he have in wanting to defend the honorable member for Balaclava (Mr. Watt) as against the Government?

Mr. RYAN.—I am not defending the honorable member for Balaclava. But I want all the information relative to the issue in order that the public may arrive at a proper decision.

Sir JOSEPH COOK.—What information does the honorable member want? His leader has seen all the cables, in fact has edited them and left some out. He has seen all the cables that I have seen.

Mr. MAHONY.—The Acting Treasurer may not have seen them all.

Sir JOSEPH COOK.—I hope I have, and I believe I have. I suggest to the honorable member for West Sydney that he had better leave this family quarrel alone. Later on there may be something in it for him, but there is very little in it for him just now.

I have already told the honorable member for Dalley (Mr. Mahony) why work is slack at Cockatoo Island. The boat being built there cannot be proceeded with because it is alleged that material required for its completion is not to hand.

Mr. MAHONY.—I maintain that there is no material missing that is necessary for proceeding with the boat.

Sir JOSEPH COOK.—I am very sorry that I cannot set aside the opinion of the manager and accept that of my honorable friend. When I asked the honorable member just now what motive the manager could have for discharging these men, he was unable to furnish me with one.

Mr. MAHONY.—How do I know what is in his mind?

Sir JOSEPH COOK.—It is fair to assume that the manager has no motive

but to do the best he can for his works and for the men employed there, and that he would go on with the building of the ship if he had the material available.

Mr. MAHONY.—I maintain that inquiry will prove that the material is available.

Sir JOSEPH COOK.—What inquiry?

Mr. MAHONY.—Let the Minister visit the Island and get hold of the foremen in charge. They will show it to him.

Sir JOSEPH COOK.—Have they shown it to the honorable member?

Mr. MAHONY.—It does not matter who told me. I have many ways of getting information.

Sir JOSEPH COOK.—Apparently!

Mr. MAHONY.—Go over and look for yourself.

Sir JOSEPH COOK.—I cannot do that, but I shall forward a *Hansard* copy of the honorable member's remarks to the manager for his reply. I am only too pleased to keep the men at work if there is work for them to do, but I cannot pretend to keep 500 or 600 men at work if there is nothing for them to do.

Question resolved in the affirmative.

House adjourned at 10.36 p.m.

## House of Representatives.

Thursday, 8 July, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 2.30 p.m., and read prayers.

### NAVIGATION BILL.

Mr. MATHEWS.—Has the Minister for Trade and Customs any intention of dealing with those provisions of the existing navigation law which provide for the punishment of desertion and of other offences? Has he any intention of giving relief to the seamen in these matters?

Mr. GREENE.—I shall be glad if the honorable gentleman will bring the matter under notice when the Bill is before us.

### REVENUE AND EXPENDITURE.

Mr. HIGGS.—Has the Acting Treasurer made the statements attributed to him in the *Age* of to-day and the *Argus*

of Tuesday? The latter journal states that, though the revenue has exceeded the estimate by over £6,000,000, the expenditure has exceeded it by £4,000,000; while the statement of the *Age* is that, although the revenue has exceeded the estimate by £6,500,000, the expenditure has increased by nearly £4,500,000.

Sir JOSEPH COOK.—I read those figures with amazement. Neither statement is correct. I have made no announcement about our revenue and expenditure except in the loosest way, because, until we can bring the London accounts to balance, it is impossible to say exactly what has been received and spent. Last week, I gave a rough approximation of what the revenue would be in excess of the estimate, but I have made no statement concerning our expenditure, and I do not know where the figures published in the newspapers were obtained. The statements are preposterously incorrect, and a protest should be made against these attempts to disseminate figures which have no foundation in fact. It will be found, I think, when the books are balanced, that on the expenditure side we have exceeded the estimate by, perhaps, £1,000,000; but I cannot say that definitely. Of that £1,000,000, the sum of £600,000 will have been spent in increasing war pensions. It is wrong of these journals to publish statements without attempting to check their accuracy in any way.

#### MOTION OF CENSURE.

Mr. TUDOR.—I desire to give notice of a motion of censure, and would have liked the Prime Minister to be present, though, of course, the Minister acting for him is at liberty to take any action he may think fit in regard to the matter. To-morrow, I will move:

That the Government is deserving of censure for its general incapacity, and more particularly—

- (a) for its failure to prevent an inordinate rise in the cost of living;
- (b) for its failure to keep its pledges with returned soldiers and their dependents;
- (c) for its failure to take steps to deal with the causes of industrial unrest;
- (d) for its failure to secure an adequate return to the Australian people for their wool and other primary products sold overseas;

- (e) for its failure to make definite binding contracts for the sale of such products which would have prevented any possibility of profiteering overseas in Australian products at the expense of Australian producers, and would have made it possible to secure a prompt adjustment of accounts in connexion with such sales.

Sir JOSEPH COOK.—Under ordinary circumstances, there would be but one course to take; but there is such a smack of Ballarat about the motion of which notice has been given that it cannot be treated seriously. Is there anything new or emergent about the high cost of living, for instance?

Mr. McDONALD.—You have no right to make a speech at this stage.

Sir JOSEPH COOK.—Quite so; nor will I make any statement at all regarding the matter at the present moment.

*Later:*

Mr. TUDOR.—Now that the Prime Minister is here, and has been informed of my notice of motion, I ask him if he intends to treat it as cavalierly as it was treated by his deputy. What action does he propose to take in regard to it?

Mr. HUGHES.—I propose to proceed with the business of the day, leaving the honorable member's notice of motion to take its place on the business-paper in the usual way. It is about time we did some work.

#### CAPITOL FOUNDATION STONE.

##### CASKET AND MALLET.

Mr. BAMFORD.—I direct the attention of the Minister for Works and Railways to the report that the Director of Federal Capital Design and Construction prepared the design of the casket and mallet used by the Prince of Wales in laying the foundation stone of the capitol at Canberra recently, and desire to ask if Mr. Griffin was the person referred to, and whether there could not have been discovered some one in Australia competent to do the work without referring it to a man from another part of the world.

Mr. GROOM.—The Director in charge of the particular branch of the Department concerned with the visit of the Prince was the proper person to consult in the matter. Although the work was designed by him, it was executed by Australian workmen in Australia, out of Australian timber.

**HIGH COMMISSIONER'S OFFICE.**

**Mr. JOWETT** (for Mr. McWILLIAMS) asked the Prime Minister, *upon notice*—

Whether, in view of the alleged unsatisfactory position of the office of High Commissioner and the urgent necessity for revising the functions and expenses of that office, the Prime Minister will afford this House an opportunity of considering the whole situation before making any further appointments in connexion with that Department?

**Mr. HUGHES.**—The question of the re-organization of the High Commissioner's office was one of the matters into which Mr. Watt was to have inquired during his visit to London. In view, however, of recent developments, of which the House has been made aware, other steps will now have to be taken, and I shall give the whole question my early attention.

**NAURU ISLAND PHOSPHATES.**

**Mr. HILL** asked the Prime Minister, *upon notice*—

Whether, in view of the various statements which have appeared in the press regarding probable increases in the cost of phosphates to the farming community, the Prime Minister will please state—

- (a) What operations are now being carried on in the Island of Nauru?
- (b) What is the cost of phosphate rock, f.o.b. Nauru, exclusive of administrative charges—(i) now; (ii) for the year prior to the war?
- (c) What rates of wages have hitherto been paid to workmen on the island?
- (d) Is any alteration of rates intended, such as would increase the f.o.b. cost; and, if so, to what extent per ton?
- (e) What amount will be added to the cost per ton of the proposed annual output by the royalty or other payments under the mandate, plus the expenses of Commonwealth administration?
- (f) At what price per ton will the phosphate rock be sold, f.o.b., to purchasers?

**Mr. HUGHES.**—The information asked for by the honorable member is not at present available.

**WAR SERVICE HOMES.**

**Mr. BLUNDELL** asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Has a conference been held in connexion with the overlapping in South Australia of the State and Federal Departments for the building of soldiers' homes?

2. If so, was a satisfactory arrangement arrived at?

3. What is the nature of the arrangement?

4. Will the Minister lay upon the table of the House all reports received from officers of the Department in connexion with the establishment of a War Service Homes Department in South Australia?

**Mr. LAIRD SMITH.**—The answers to the honorable member's questions are as follow:—

1, 2, 3. The matter is to be discussed with representatives of the South Australian Government next week.

4. Until the conclusion of negotiations it is not desirable to table these reports, but upon completion of negotiations these and all other relative documents will be made available.

**WOOL CONFERENCE.**

**Mr. CUNNINGHAM** asked the Prime Minister, *upon notice*—

Whether he will make available the names of the representatives of the combined councils of the wool-growers and wool-brokers of Australia with whom, on Friday, the 2nd of July, he conferred with reference to the wool position?

**Mr. HUGHES.**—The representatives of the wool-growers and wool-brokers who conferred with me on 2nd July, and who were introduced by Mr. J. H. Prowse, M.P., are as follow:—

*Wool-growers.*

New South Wales.—J. Mackay, W. W. Killen, A. S. Austin, and Hon. A. E. Hunt. Queensland.—Jas. Clark and R. Mathieson. Tasmania.—R. C. Field.

South Australia.—R. T. Melrose and A. E. Hamilton.

Victoria.—B. Cummins, C. R. Murphy, and H. McClelland.

Western Australia.—D. McRae. Leslie Smith, Secretary, Pastoralists Association.

*Wool-brokers.*

Queensland.—T. McIlwraith Taylor and R. W. Cran.

New South Wales.—E. R. Graham, Frank Young, and K. Del. Cudmore.

Victoria.—Geo. L. Aitken, R. J. Boyne, and A. F. Hooper.

South Australia.—Horsley Chapman and T. E. Yelland.

Tasmania.—Geo. Cragg. J. D. Coutts, Secretary, Wool-brokers' Association.

**ALLOWANCE POST-OFFICES.**

**Mr. GABBE** asked the Postmaster-General, *upon notice*—

1. Whether there has been any increase in the rate of payment for allowance post-offices since 1914?

2. If so, what is the percentage increase in the rate to-day compared with June, 1914?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1. Yes.
2. 24.48 per cent.

### NEW GUINEA.

#### INDENTURED LABOUR.

Mr. GABB asked the Minister for Home and Territories, *upon notice*—

1. Whether indentured labour is allowed in New Guinea by the Australian Government?

2. If so, is it correct that contracts are for three years at a minimum wage of 5s. per month for men, and 4s. per month for women and boys?

3. Has the British Government announced the abolition of indentured labour in all territories under its control?

Mr. LAIRD SMITH.—I shall be glad if the honorable member will repeat his question on Wednesday next, and state, at the same time, whether it applies to the territory in New Guinea which was once in possession of the Germans.

### POST-OFFICES IN NEW SOUTH WALES AND VICTORIA.

#### ERCTIONS, ALTERATIONS, ADDITIONS.

Mr. LAZZARINI asked the Postmaster-General, *upon notice*—

Whether he will inform the House as to—

(a) The number of new post-offices erected in country towns in the States of Victoria and New South Wales since 1900, and the population of each of such towns, as well as the total cost of each of the new premises?

(b) The number of alterations and additions to post-offices in Victoria and New South Wales in the same period, and the cost of such work in each instance?

Mr. WISE.—This is a matter within the province of the Department of Works and Railways.

### INDUSTRIAL CONFERENCE.

Mr. MAKIN asked the Prime Minister, *upon notice*—

1. Whether the Government will intimate upon what date it is anticipated the Industrial Conference will assemble?

2. What arrangements do the Government intend to make in meeting the expenses of the representative delegates attending the Conference?

Mr. HUGHES.—The answers to the honorable member's questions are as follows:—

1. Replies are awaited from certain of the bodies which have been invited to send representatives to the proposed Conference. It is

impossible to fix a definite date for the Conference until representatives are appointed. Efforts are being made to obtain the outstanding replies, and the matter will be expedited as much as possible.

2. This matter is receiving the consideration of the Government.

### PROBATE DUTIES.

#### PAYMENTS IN STOCK AND BONDS.

Mr. WEST asked the Treasurer, *upon notice*—

1. Will he state the amounts paid in stock or bonds for succession or probate duties each year?

2. What is the total amount of stock or bonds that have been cancelled up to the 30th June, 1920?

3. Is it a fact that the Commonwealth Government stock and bonds have been purchased at a discount from 5 to 10 per cent. in connexion with the payment of succession or probate duties?

4. If so, will the Treasurer take steps to enable the Commonwealth to receive the benefit of such reduction on the purchase value of stock and bonds below par?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follows:—

1. 1915-16	£143,330
1916-17	518,920
1917-18	393,460
1918-19	475,260
1919-20	1,063,220
	£2,594,190

2. £6,223,250.

3. The Government has no knowledge that Commonwealth war stock and bonds are being purchased on the open market with the intention of using them for payment of probate and succession duty. This, however, is probably being done.

4. The Government is powerless in the matter. The prospectuses setting out the conditions under which the several loans are raised state that bonds and stock will be accepted at par in payment of probate and succession duty.

### JERGER AND HIRSCHFIELD CASES.

Mr. CUNNINGHAM asked the Prime Minister, *upon notice*—

1. Will he lay on the table of the House the transcript of the evidence taken by Sir Robert Garran in the inquiry conducted by him with regard to Dr. Hirschfield and Father Jerger, and also Sir Robert Garran's report in respect of each?

2. Was a copy of the evidence taken by Sir Robert Garran furnished to either or both of the persons concerned?

3. Will he cause copies of the evidence taken and the report with respect to either or both of the above persons to be laid on the table of the House before steps are taken to deport either of the above persons?

Mr. HUGHES.—The answers are:—

1. No.
2. No.
3. No.

#### ARMY PAY CLERKS.

Mr. MATHEWS (for Dr. MALONEY) asked the Minister representing the Minister for Defence, *upon notice*—

1. Is the Minister aware that clerks enlisted in the Army Pay Corps in the Defence Department, some of whom have a wife and two children, are receiving £3 10s. per week, without issue of uniform and underclothing, while clerks in the same Department, enlisted for Home Service, are receiving £3 17s. 6d. per week with issue of uniform and underclothing?

2. If so, is he prepared to grant the latter rate and conditions to the clerks of the Army Pay Corps?

Sir GRANVILLE RYRIE.—The matter has been brought under notice and is receiving consideration.

#### GALLIPOLI STAR.

Mr. BURCHELL asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether it is a fact that there is strong criticism from soldiers entitled to the Gallipoli Star that the workmanship is very faulty, also that the metal from which the star is made is of very poor quality?

2. If he is not aware of these defects, will he cause inquiry to be made into the matter?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1. The 1914-15 Star was designed, and the whole supply for issue to members of the Australian Imperial Force, was manufactured in Great Britain, the engraving only of the name of the recipient being carried out in Australia. I am not aware of any strong criticism from soldiers as to workmanship or quality of metal.

2. The supply having been arranged by the Imperial Government, and the star being the same for all troops entitled, whether British or Dominion, it is not thought that any useful purpose would be served by pursuing the questions raised by the honorable member.

#### AUSTRALIAN PORTS.

##### DEPTH OF WATER.

Mr. AUSTIN CHAPMAN asked the Minister for the Navy, *upon notice*—

1. Has any report been furnished regarding the *Renown* being unable to enter Port

Phillip except at high tide, or the cause of delay in the vessel entering the harbor, on the recent visit of His Royal Highness the Prince of Wales?

2. What reason has been given for the fact that the *Renown* had to leave Sydney Harbor on a high tide and wait outside the Heads for His Royal Highness to go aboard at his schedule time for leaving?

3. Has he noticed that no similar difficulty was experienced when the *Renown* entered and left Jervis Bay?

4. Can he state how many ships trading to Australia are unable to safely enter or leave either Port Phillip or Port Jackson at low tide?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1 and 2. No report has been furnished. H.M.S. *Renown* is under the orders of the British Admiralty.

3. So far as I am aware no difficulty was experienced when H.M.S. *Renown* entered or left Jervis Bay.

4. All ships trading to Australia are able to safely enter or leave Port Phillip at low tide, and this applies also to Port Jackson with the possible exception of one ship.

#### GENERAL POST OFFICE, MELBOURNE.

##### CLEANERS.

Mr. LISTER asked the Postmaster-General, *upon notice*—

1. Whether it is a fact that there are several women, some of whom are widows and the sole support of themselves and their children, at present employed as cleaners in the General Post Office in Melbourne, and elsewhere, who are in receipt of only 27s. 6d. per week?

2. As bonuses and increases in wages have been granted to others employed in the Department in order to, in some measure, meet the increased cost of living, will the Postmaster-General recommend such increase as is necessary to enable these female employees to enjoy reasonable comfort?

Mr. WISE.—The answers to the honorable member's questions are as follows:—

1. The rate at present paid to such employees in Victoria is 27s. 6d. for twenty-four hours weekly, but recently it was approved by the Acting Public Service Commissioner to increase the payment to 30s. per week as from 10th July, 1920, and instructions are being issued accordingly.

2. See answer to No. 1.

#### INCOME TAX: AVERAGE BASIS.

Mr. AUSTIN CHAPMAN asked the Treasurer, *upon notice*—

If he has given consideration to the suggestion as to the fairness of altering the income tax so as to enable the farmer and

grazier to be assessed and taxed on an average basis, extending over a term of three or five years, instead of the present system, which is said to work so inequitably?

**Sir JOSEPH COOK.**—This matter will be considered by the Royal Commission which it is proposed to appoint to inquire into and report on the whole incidence of Commonwealth taxation.

#### FEDERAL CAPITAL.

**Mr. ROBERT COOK** asked the Prime Minister, *upon notice*—

In view of the serious financial position of the Commonwealth and the urgent need of money for repatriation, is it the intention of the Government to proceed with the erection of temporary buildings at Canberra?

**Mr. HUGHES.**—As soon as the financial position of the Commonwealth permits, the Government intends to proceed with the building of the Federal Capital.

#### PERMANENT MILITARY FORCES: PAY.

**Mr. AUSTIN CHAPMAN** asked the Minister representing the Minister for Defence, *upon notice*—

Will he inform the House what was the result of his inquiries, as promised, into the statements made regarding the supposed increase of payment to the members of the Military Forces, especially the ranks and non-commissioned officers?

**Sir GRANVILLE RYRIE.**—The representations which have been made in regard to the rates of pay of the Permanent Military Forces are receiving consideration, and a statement concerning same will be made at an early date.

#### CONCILIATION AND ARBITRATION COURT.

**Mr. BLUNDELL** asked the Prime Minister, *upon notice*—

Whether the Government will appoint without delay an additional Deputy Judge to the Arbitration Court to deal with the claims of the various associations of Government employees?

**Mr. HUGHES.**—The Commonwealth Conciliation and Arbitration Act only provides for the appointment of one Deputy Judge. The measures proposed to be taken with regard to Government employees' claims will shortly be made known to the House, and legislation introduced to give effect thereto.

#### INVALID AND OLD-AGE PENSIONS.

**Mr. AUSTIN CHAPMAN** asked the Treasurer, *upon notice*—

1. Is it a fact that many old-age and invalid pensioners are suffering great hardships owing to the high cost of living?

2. If so, in view of the difficulties experienced by pensioners, will the Government favorably consider the necessity for increasing the amount of pension in conformity with the increased cost of living?

**Sir JOSEPH COOK.**—I regret the effect of high prices on the old-age and invalid pensioners, but am not able at the moment to promise further relief. The last increase of 2s. 6d. per week has absorbed, in the six months period £693,000. The total for the year will probably be £1,500,000.

#### DEPORTATION OF ITALIANS.

**Mr. BRENNAN** asked the Prime Minister, *upon notice*—

1. Has there been laid on the table of the House a copy of the statement referred to by the Prime Minister in answer to the honorable member for Corio as reported in *Hansard*, 12th May, 1920, page 2003?

2. If not, will the Prime Minister have such statement laid on the table at his earliest convenience?

**Mr. HUGHES.**—The statement referred to by the honorable member was laid on the table of the House on the 1st July, and a copy appears on page 2477 of *Hansard*.

#### NEW SOUTH WALES TELEPHONE SERVICE.

**Mr. AUSTIN CHAPMAN** asked the Postmaster-General, *upon notice*—

1. Is it a fact that great inconvenience and severe loss are entailed on many telephone subscribers in New South Wales owing to the unsatisfactory service?

2. If so, what steps are being taken to try to remedy this state of affairs?

3. Is it a fact that a large number of persons are unable to obtain telephone facilities, although application was made and deposits paid months ago?

4. If so, when may they expect to obtain telephone connexion?

**Mr. WISE.**—The answers to the honorable member's questions are as follow:—

1. It is, unfortunately, a fact that the position is serious in Sydney. This condition has been brought about by the limited funds which the Treasury has been able to make available from time to time during the past six years, as well as the cost and difficulty of obtaining

material, which factors have rendered it impossible to carry out the necessary works in the Sydney network.

2. In March last, the Acting Treasurer gave approval for this Department to invite tenders for material to be delivered during the present financial year, and a large portion of this sum has been utilized to obtain material and apparatus for Sydney, which, when received should improve the service to some extent.

3. It is a fact that a large number of persons are unable to obtain telephone facilities, although application was made months ago, for the reasons given in answer to question No. 1; but it is not the practice of the Department to retain the deposits unless the applicants desire the Department to do so.

4. No effort is being spared to overtake arrears, but it is not possible to give any definite information as to when telephone connexions can be given, owing to the fact that the material which is necessary to give service has to be obtained from abroad, and the conditions existing overseas are such that no definite date of delivery can be given by the manufacturers, who are unwilling to bind themselves to specific dates.

## ALLOWANCE POSTMASTERS.

Mr. NICHOLLS asked the Postmaster-General, upon notice—

1. If he will supply all allowance postmasters with a copy of the revision of each year's work, the revision on which their salaries are based?

2. Where allowance postal officials fail to make out special accounts for messenger and detention fees due to them, what becomes of such fees?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1. The revision is made on the statistics of business transacted at the post-office during the previous year, particulars of which business are available at the office.

2. Under the law, such fees must be paid to revenue, and the official, who is entitled to such, has in the past been required to make claim. As a result of recent inquiry by the Inspector of Accounts, action is being taken to pay, in future, without formal application.

Mr. AUSTIN CHAPMAN asked the Postmaster-General, upon notice—

1. Is it a fact that notifications are being sent to allowance post-office keepers in New South Wales cutting down by a few pounds their small allowances?

2. With reference to the promise made in Parliament concerning the question of payments to allowance officers, has any action been taken?

3. If so, will he inform the House with what result?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1. The work of an allowance postmaster is reviewed annually, and payment for control is

adjusted thereon. No reduction in payment is made unless the value of the work has decreased by an amount in excess of £3. The allowance postmaster is notified when any variation in the amount of payment is made.

2. Yes.

3. The matter is now under consideration of the Treasurer.

## POSTAL RECEIVING OFFICES.

### PAY OF SEMI-OFFICIAL OFFICERS.

Mr. NICHOLLS asked the Postmaster-General, upon notice—

1. What is the number of receiving offices in the Commonwealth of Australia?

2. What was the total amount paid to receiving officers for conducting the business of their offices for the year ending 30th June, 1919?

3. What is the number of allowance offices in the Commonwealth of Australia, and what is the total amount paid to such officers for conducting the business of their offices?

4. What is the total profit or loss on the working of allowance offices for the year ending the 30th June, 1919?

5. What is the number of semi-official offices in the Commonwealth of Australia, and what is the total profit or loss on such offices for the year ending the 30th June, 1919?

6. Are semi-official officers paid the living wage, and are they allowed to conduct another business apart from their official work?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1. 2,468.

2. The figures of cost of receiving offices, allowance offices and semi-official offices separately are not readily available. The total expenditure in this connexion for the year 1918-19 was £291,872.

3. 4,620. See answer to No. 2.

4. This information is not available.

5. 145. Information as to profit and loss is not available.

6. The minimum payment in this respect from 1st July, 1920, is at the rate of £156 per annum. These officers are not allowed to conduct another business.

## WAR PENSIONS AND ALLOWANCES.

### WAR WIDOWS AND MOTHERS.

Mr. AUSTIN CHAPMAN asked the Acting Treasurer, upon notice—

1. Is it a fact that drastic reductions, causing great privation and hardship, have been made in the pensions and allowances of war widows and mothers of deceased soldiers, in many cases as much as 50 per cent.?

2. If so, will he inform the House why this has been done, and what are these folks expected to do when suddenly deprived of the means of living?

**Mr. LAIRD SMITH.**—This question should have been addressed to the Minister for Repatriation, who has furnished me with the following reply:—

1 and 2. No pensions have been decreased, but certain allowances previously granted have been affected by the recent amending Repatriation Bill. The matter is now being looked into, and meanwhile a direction has been issued that the old allowances will be continued pending a decision upon the questions involved.

#### MAIL CONTRACTORS: FODDER ALLOWANCE.

**Mr. NICHOLLS** asked the Postmaster-General, *upon notice*—

1. Whether investigations into the working conditions of country mail contractors have been completed, and, if so, will the Postmaster-General take the earliest opportunity of adequately compensating them for loss caused through the abnormally high price of fodder?

2. Will the Postmaster-General prevent in the future any contractor taking a mail contract at a ridiculously low price?

**Mr. WISE.**—The answers to the honorable member's questions are as follow:—

1. The inquiries which it is necessary to make are not yet complete, but they will be expedited as much as possible, so as to enable an early decision to be given.

2. It would be opposed to the spirit of public tendering to decline the lowest tender received if in other respects the tenderer is satisfactory. The Department is not aware of all the factors which influence tenderers when preparing their tenders.

#### AMENDMENT OF THE CONSTITUTION.

##### CONVENTION.

**Mr. AUSTIN CHAPMAN** asked the Prime Minister, *upon notice*—

1. Will he inform the House if it is contemplated to introduce a Bill this session to provide for a convention to deal with constitutional amendment?

2. If so, can he say when?

**Mr. HUGHES.**—The answers to the honorable members' questions are as follows:—

1. Yes.

2. As soon as the state of public business permits.

#### WHEAT BAGS.

**Mr. NICHOLLS** asked the Minister for Trade and Customs, *upon notice*—

1. Whether he has made provision for an adequate supply of wheat bags for the coming wheat harvest?

2. If not, will he take the necessary steps to see that farmers are assured of supplies at reasonable rates?

**Mr. GREENE.**—The answers to the honorable members' questions are as follows:—

1. It is not the intention of the Government to purchase or distribute wheat sacks for the coming harvest, the trade having been allowed to revert to its usual channel. It must be added that it was intimated to the Government after the sale of sacks made to them during the war, that the Calcutta merchants were not prepared to sell to the Government in the future.

2. See reply to No. 1.

#### WAR SERVICE HOMES.

**Mr. LISTER** asked the Minister representing the Minister for Repatriation, *upon notice*—

Has anything been done to give effect to the expressed intention of the Government in the direction of increasing the amount of advance under the War Service Homes Act from £700 to £800?

**Mr. LAIRD SMITH.**—A Bill to this end is now being drafted.

#### TEMPORARY POSTAL ASSISTANTS.

**Mr. LAZZARINI** asked the Postmaster-General, *upon notice*—

Whether he will make provision to allow temporary postal assistants with years of service and good record, who are to-day essentially necessary for carrying on the work of the Postal Department, to receive permanent appointment in such Department?

**Mr. WISE.**—This is a matter within the province of the Public Service Commissioner. There are, however, sufficient permanent officers qualified to fill vacancies for postal assistants, to whom the positions would mean promotion, and there is no justification for appointing temporary employees. In any case, if it were found necessary to make appointments from outside the Public Service, an open competitive examination would be arranged.

#### BRITISH AND RUSSIAN NATIONALS.

**Mr. CONSIDINE** asked the Prime Minister, *upon notice*—

1. Whether an agreement has been entered into between the Imperial Government and the Soviet Government of Russia making provision, amongst other things, for facilitating respectively the return of nationals of each party to the agreement to their homeland?

2. If so, is the Commonwealth included in the scope of such agreement?
3. Has this agreement been carried out in so far as it affects citizens of the Soviet Republic now resident in the Commonwealth?
4. If not, why not?

Mr. HUGHES.—The answers to the honorable member's questions are as follows:—

1. An agreement was entered into between Messrs. O'Grady and Litvinoff, representing the British Government and the Soviet Government respectively, at Copenhagen, in February last, on this subject.

2. The Commonwealth Government is in communication with the British Government as to the precise intention of the parties and the meaning of the document.

3 and 4. See reply to No. 2.

### WELL OIL PROSPECTING.

Mr. LAZZARINI asked the Prime Minister, *upon notice*—

1. Whether the Government is prepared to give any assistance to private persons desirous of prospecting for well oil, provided such persons can satisfy an expert that there is good grounds for expecting a payable quantity of crude oil?

2. If so, to what extent would such assistance be given?

Mr. HUGHES.—The Commonwealth Government has already offered a reward of £10,000 for the discovery of oil in payable quantities. It is considered, however, that the question of granting assistance to prospectors for oil is one for consideration by the Governments of the States, but at the recent Conference of Premiers I intimated that the Commonwealth Government was prepared to co-operate with the States in the matter.

### WOOL SALE TO BRITISH GOVERNMENT.

#### PRODUCTION OF PAPERS.

Mr. CUNNINGHAM asked the Prime Minister, *upon notice*—

Whether he will lay on the table of the House the whole of the cables leading up to the disposal of Australian wool to the British Government, including those concerning the actual sale to the Government and those relating to the distribution of profits on re-sales?

Mr. HUGHES.—These papers have already been laid on the table of the House, in response to the request of the honorable member for Echuca.

### TELEPHONE: BRUCE ROCK TO KORBEL.

Mr. WISE.—On the 2nd instant the honorable member for Dampier (Mr. Gregory) asked me, *inter alia*, the following questions:—

1. Whether it is a fact that the erection of a telephone from Bruce Rock to Korbel, Western Australia, a distance of 10½ miles, exclusive of the cost of the erection of poles, cost approximately £500?

2. Will the Minister lay on the table the details of this expenditure?

I promised that the information would be obtained. The following is the reply:—

1. The erection of a telephone line from Bruce Rock to Korbel, Western Australia, has recently been completed at a total cost of £485 1ls. 7d. This cost is exclusive of the cost of the erection of poles. The actual length of the line, however, is 16 miles 28 chains of metallic circuit.

2. The expenditure is made up as follows:—

	£ s. d.
Material .....	296 0 2
Labour (departmental) .....	5 15 4
Payment to Railway Department for construction of line .....	152 7 5
Freight and fares .....	31 8 8
	<hr/>
	£485 11 7

### POSTAL OFFICIALS: TUBERCULOSIS.

Mr. WISE.—On the 1st instant the honorable member for Darling (Mr. Blakeley) asked me the following questions:—

- (a) The number of postmen and assistants of the Mail Branch, New South Wales, who have, during the past three years, submitted medical certificates of illness through tubercular troubles?
- (b) The number of postmen and assistants in the same branch who have died during the past three years owing to tubercular complaints?

I promised that the information would be obtained. The following is the reply:—

Five postmen and eight assistants submitted medical certificates of illness through tubercular troubles; two postmen and three assistants died of complaint.

These figures are approximate. The expense of examining the records of all officers concerned in order to obtain the actual figures would not, I think, be justified.

## PAPERS.

The following papers were presented:—  
 Public Service Act—Department of Trade and Customs—Appointments of—  
 G. A. Blumer, J. P. Farrell, G. A. Murray, and C. J. Middleton.

## DESTITUTE ALLOWANCE.

Debate resumed from 1st July (*vide page 2482*), on motion by Dr. MALONEY—

1. That this House is of opinion that the Invalid and Old-age Pensions Act should be amended in order to provide for a destitute allowance to be made to all inhabitants who are destitute, so that any person making a statutory declaration (to a postmaster, Customs officer, or other appointed Commonwealth official, a schoolmaster, a union secretary, a magistrate, or other appointed individual) that he or she is insufficiently fed, clothed, or sheltered, shall be paid as soon as possible the sum of 15s. per week, and for each child 7s. 6d. per week, until relieved.

2. That the passing of the foregoing resolution be an instruction to the Government of the Commonwealth to bring in the necessary amending Act.

**Mr. PROWSE** (Swan) [3.1].—I forfeit my right to continue the debate on this motion. I have already said what I desire to say.

**Mr. MATHEWS** (Melbourne Ports) [3.3].—The contention of the honorable member for Melbourne (Dr. Maloney) that it is the duty of the people to provide an allowance for the destitute in the community is not new. I admit that in common with other suggestions for legislation of a beneficent character it is viewed by many people in a very peculiar way. Such a proposal, it would appear, is for many reasons bound to meet with opposition. It is regarded by only a few as a matter with which they are concerned, because only a small proportion of the population may be said to be really destitute. After all, humanity is very selfish, and people are disposed to view a proposal to deal with conditions which are not brought immediately under their notice as something which should not be considered at all. Arguments of this kind were advanced against the establishment of old-age pensions, and practically every attempt to place beneficent legislation upon the statute-book has met with the same kind of opposition. Proposals of this

kind are frequently ridiculed, and I know that some persons who may not go so far as to ridicule such a motion as that now before the House, because they would not desire to be considered heartless, have ridiculed the provision for old-age pensions. That legislation was continually the subject of ridicule until it was properly understood. Honorable members are aware that it was the practice of many to refer facetiously to the “baby bonus,” and the maternity allowance, which is its proper name, is in some quarters still referred to by that and similar contemptuous appellations. We know that when the Fisher Government introduced their legislation for the payment of the maternity allowance meetings in opposition to it were held all over Victoria. This opposition was instigated by certain wealthy people in the community, and also, to their lasting disgrace, by many women in Australia, who were free from all fear of want at the time of their performance of the duty of maternity, and by others who used means to evade that duty. These people referred to the maternity allowance only in terms of ridicule. Those who favoured the proposal were asked why the general body of the community should pay a mother £5 to assist her in bringing her child into the world. There is not a man or woman in the country who does not know that every child born is an asset to the community. The aged, no matter how wealthy they may be, must be aware that they cannot continue to live on their wealth unless there are others growing up in the community to produce the commodities they require to sustain life. All the laughing and gibing at the maternity allowance should have been strongly condemned. We are told to-day that the payment of the allowance has not brought about what was desired by those who supported it. We shall no doubt be told that the adoption of legislation to give effect to the motion now under consideration will not bring about what is desired by the mover of it. I can say that so far I represent are concerned, the maternity allowance has been of assistance in thousands of cases. It has meant that the mothers have been given a better chance of health, and their children have been given a better chance than the chil-

dren were ever given before. The argument with respect to the increase in the birth-rate makes a strong appeal in the electorate I represent, and appeals forcibly to me, because in that electorate we have the highest birth-rate in any part of Australia.

Every argument used as to the benefit of legislation of this character is met by some persons with contempt. On the subject of destitution, I have heard teetotal lecturers, for instance, assert with brazen effrontery that drink is the cause of 95 per cent. of the destitution in the world to-day. It is because of their infernal ignorance that they make such a statement. They can never have studied economics, or they would make no such assertion. As a matter of fact, under the present economic system, if the world were teetotal, destitution would be as rampant as it is to-day.

Mr. PROWSE.—Question.

Mr. MATHEWS.—The honorable member questions that statement. All I have to say is that if the workers of to-day did not spend money upon alcoholic liquors, they would receive so much less in wages. It is only because they require means to satisfy that desire that they have been enabled to secure increases in their wages.

Mr. PROWSE.—Do they put all their wages into beer?

Mr. MATHEWS.—When the honorable member asks me that question, I reply that they have as much right to drink beer or whisky as the honorable member has to drink water, so long as they do not endeavour to compel him to drink beer or whisky. The honorable member is like a few more to whom legislation of this character seldom makes any appeal. We generally find that people who take his stand on the question of the consumption of alcohol are narrow-minded, and try to make out that it is the cause of destitution. There are in our midst to-day men and women who have never been guilty of excess in the consumption of alcohol and are yet in want and destitute. Every honorable member should know, whether we like it or not, that our present economic system produces destitution. We know that under it, for every person who becomes richer, some persons become

poorer. I do not intend to give honorable members an address on the economic system, but every student of economics must be aware of the truth of my statements.

I do not personally agree with many contentions advanced by some who belong to the Labour movement. I do not agree, for instance, with the contention that the worker pays all taxation. I know that if a worker gets £3 per week, and 30s. of that sum goes in taxation, the employer would take very good care that if all taxation upon his employee were removed, he would only get 30s. a week in wages. Under our existing economic system, no matter what wages a man gets, he cannot with surely make provision against destitution. We are asked why the workers are not thrifty, but "thrift" is a word that is bandied about without consideration of what it really means. If we were to inquire into its real meaning, we might suggest that no man need waste 6d. in getting his hair cut. There is no reason why he should blacken his boots, or why he should wear decent clothes. He might live in a hovel, if he pleased. There is no reason why he should have carpets on his floor, curtains on his windows, or glass in his windows. The logical deduction from the arguments of those who commend thrift is that a man should spend nothing, and we know the effect which that would produce in the community. Many reasons except the true one are advanced for the destitution in our midst. It is a well-known fact that the wealthier countries are the greater is the destitution in them. There is just as much destitution in the great, wealthy country of America, in proportion to population, as there is in any other country in the world, because all alike are working under a faulty economic system. Whilst I do not agree that this motion represents a panacea for all the evils of our economic system, I agree with those who think that if it were put in operation it would act as a deterrent upon those who are responsible for the creation of destitution. If those who make the wealth were compelled to pay for the destitution which they cause, they would take care that all people were given employment at fair and adequate wages. Is there any honorable member who does not realize that, under

a perfect system of civilization, there need be no destitution? Admittedly, even in such a state of society, there would still be men and women who would require to be treated in hospitals. Just as the community to-day disciplines certain people in our midst, so would the community, under that perfect system, demand that those whose actions created undesirable effects should be placed in hospitals—not in gaols, as some people advocate. Do honorable members think that any man or woman willingly becomes destitute? That many do fall into poverty is indisputable, but if we inquire as to the cause, we may find that it is a weakness which, in its essence, is a disease. Some look with contempt upon the unfortunate drunkard; they ought to praise God that they are immune from the evils of alcoholism. Many people have never been able to realize that drunkenness is a disease, and not a crime.

Mr. Prowse.—Then, why sneer at me, when I try to prevent drunkenness? Why ask me to pay for it?

Mr. MATHEWS.—No man or woman in the community keeps anybody else. The community keeps the honorable member, as it keeps all of us. He would be walking the streets naked and foodless but for the energies of other members of the community. We all are keeping each other.

Mr. Prowse.—Some people do not play their part.

Mr. MATHEWS.—I trust that the honorable member is playing his part in civilization. May the time never arrive when civilization is controlled by the men and women who preach teetotalism to-day; they are hard and narrow in all their views. If they but knew it, they are the real cause of destitution, because, if they were desirous of preventing drunkenness and other evils, they would join hands with us on this side. But they are generally to be found voting against us. If in an election a teetotal Labour candidate is opposing a Nationalist brewer, the heads of the teetotal organization vote for the brewer every time. I tell the honorable member that teetotalism is not the panacea for destitution. I admit that some people have become destitute through drink, but they represent only a small percentage of the total number of destitute in the community. There are

some who believe that the single tax is the panacea for all evil—that by concentrating all taxation upon the land we shall do away with destitution. That is nonsense. Others tell us that we have only to place a high enough duty on imports to make everybody in the community prosperous. They say that there is always plenty where there are smoking chimneys. Do we not know that in all manufacturing countries there is destitution? More misery and sickness are caused by fear of destitution than by anything else. The phantom of want preys on the nerves to such an extent that people are unable to continue at their employment for the modest pittance they are receiving. I believe that it is the duty of civilization to provide for every member of the community so that there shall be no destitution. Just as it is the duty of the State to make provision for the dependants of those who fell in the great war, and for those returned soldiers who have been maimed or ruined in health to such an extent as to be unable to earn a livelihood, so it is the duty of the Government to care for and keep from want those who have fallen or been injured in the great battle of life. There are people who look at me with horror when I voice that doctrine. But I believe that men and women who have been fighting in the industrial field, and who, through lack of proper nourishment and inability to continue at their occupations, have fallen by the wayside, have just as great a claim upon the assistance of the State as have the soldiers and their dependants. Those who cannot see the justice of that argument are wilfully blind. We shall never even approach a proper state of civilization until we realize that every unit in the community has a right to food, clothing, and housing. Surely we are not asking too much when we urge that it is the duty of the Government to provide relief—not in the form of charity, but as a right which a human being should be able to claim from civilization to-day. Honorable members may differ regarding the causes of destitution. Some may condemn destitution, but they are utterly wrong if they regard the cause as any other than the economic system under which we are working to-day, whereby the more some people increase their wealth the less others possess. We marvel to-day why our old-age and invalid

pensions legislation was not inaugurated years earlier. In years to come we will marvel that we did not provide against destitution years earlier. Undoubtedly we do not pay enough by way of old-age and invalid pensions. The sum of 15s. now given is only of use to those whose support is contributed to by their own kith and kin.

Mr. MACKAY.—But surely it is their duty to do so.

Mr. MATHEWS.—I deny that it is the duty of their children any more than it is that of the whole community. In giving their pioneer labours to the world these old folk, whom we help to support with a dole to-day, have done as much for the general community as for their own immediate family. The responsibility of providing against their old age, therefore, is as much that of the general community as of their own children. Suppose that the whole community went in for race suicide and there were no children. Who would keep us in our old age? In days gone by, in Victoria, the aged and invalid poor were not paid pensions, but their children were forced to contribute to their upkeep. Those in the community who are not related to aged dependants have as much right to contribute to the support of the old and infirm as the actual members of their families. In the future people will wonder that our civilization could have so long permitted destitution to continue instead of providing against it out of the Consolidated Revenue of the country.

Mr. AUSTIN CHAPMAN (Eden-Monaro) [3.25].—While there are some portions of these proposals with which I cannot quite agree, it appears to me that this motion is somewhat on the right lines. Only this afternoon I asked certain questions concerning what might be done regarding old-age and invalid pensioners; and the answer, in plain language, was that there was no money available to provide further assistance.

Sir JOSEPH COOK.—The answer was that we had just given an increase involving £1,500,000 per annum.

Mr. AUSTIN CHAPMAN.—What would it matter if it involved £2,500,000 per annum? Why was the original Act passed? It was to provide relief for the aged and invalid poor. I was chairman of the Commission which inquired into the

whole subject, and was a member of the Government which brought in the eventual Bill. The reason why the sum of 10s. was fixed was that it was the smallest amount upon which it was considered a person could live. So low a figure was fixed because it was thought that that was all the country could afford to pay. The very fact that the rate of pension has been increased indicates that that was obviously a mistake. The increase has been made because it has been realized that the original amount could not keep body and soul together. It is now the duty of Parliament to perceive, further, that 15s. per week is not as much to-day as was 10s. when the legislation was originally introduced. The payment of pensions is no charity. If we admit that it is a matter of right, as we should all do, then is there any honorable member who will say that we should let the poor and invalid half starve and half live? It is a matter of necessity and of urgency that our Pensions Act should be amended. It is only right that we should find more money to help keep our aged and sick folk alive.

There are several anomalies in our pensions legislation. The Act to-day provides that pensioners may not work to earn money. That is a mistake. Many men and women who receive pensions would be glad to earn a few shillings per week by way of supplementing their dole; and there are many folk in the community who would like to employ the aged folk in order to help them out. If pensioners possess property to-day a proportional debit is made against their allowance. Of course they are permitted to own their own homes—that is quite right; but it is anomalous that while a pensioner may live in a home of his own which is worth even £1,000, and have nothing debited against his pension, yet at the same time if he owns £100 worth of land or property the amount of his pension is reduced proportionately. That should not be so. There are many other changes that might well be made in the Act. This country can afford to be decent to the aged poor, many of whom have pioneered Australia. We should show that in the opinion of the Federal Parliament it is no crime to be poor. I know of nothing more urgent than that reasonable and adequate aid should be afforded needy old folk. Of course the Government say that there is no money available to do more than has been done.

**Mr. CONSIDINE.**—It is not hard to provide money when it comes to a question of killing people rather than endeavouring to preserve life.

**Mr. AUSTIN CHAPMAN.**—Sometimes it becomes necessary to kill in order to preserve our own lives. Where would this country be but for those brave young men who offered their services on behalf of the Empire, and went out prepared to do some killing? I sent my two boys to defend the honorable member and his people, and I strongly resent his interjection.

**Mr. CONSIDINE.**—You were talking about the difficulty of finding money for pensions, and I merely pointed out that when it came to a question of killing people you could find the money quickly enough.

**Mr. AUSTIN CHAPMAN.**—Yes, and the honorable member was referring to the men who won Australia for us. Compare their action with his and that of many others of his age.

**Mr. CONSIDINE.**—You are quite right. They won Australia for you, not for themselves.

**Mr. AUSTIN CHAPMAN.**—Well, I hope they did not win Australia for the Bolsheviks, anyhow.

**Mr. CONSIDINE.**—The Bolsheviks will win for themselves.

**Mr. AUSTIN CHAPMAN.**—All I can say is that when Bolsheviks appear those men who went out to fight for this country will be found as ready to take the Bolsheviks by the throat and settle them as they did the Boches.

**Mr. CONSIDINE.**—I think you will find them under the same banner as the Bolsheviks.

**Mr. AUSTIN CHAPMAN.**—After all, this question has not very much to do with the motion before the Chair, unless some of those gentlemen who would not fight to defend this country claim that they were above the age limit.

**Mr. CONSIDINE.**—They will defend it all right when it belongs to them, as your people found out when your fellows went to Russia.

**Mr. AUSTIN CHAPMAN.**—Our men gave a good account of themselves wherever they went.

**Mr. CONSIDINE.**—But I am talking about your propertied friends.

**Mr. AUSTIN CHAPMAN.**—Did not our propertied friends, as the honorable member calls them, also fight for this

country? Were not representatives of property and the working classes fighting side by side in the war?

**Mr. CONSIDINE.**—Very few.

**Mr. AUSTIN CHAPMAN.**—I say they were, and they did their duty splendidly. And now they will not give the honorable member any credit for sneering at them and calling them "killers." I am proud of them.

**Mr. CONSIDINE.**—Naturally you are.

**Mr. AUSTIN CHAPMAN.**—I am proud of them because, for one reason, my boys went out with them. They fought for the honorable member and his friends, who would not fight for themselves.

**Mr. CONSIDINE.**—They did not fight for me.

**Mr. AUSTIN CHAPMAN.**—They fought for this country, and now the honorable member is sneering at them.

**Mr. SPEAKER (Hon. Sir Elliot Johnson).**—I remind the honorable member that these interchanges have nothing to do with the motion before the Chair.

**Mr. AUSTIN CHAPMAN.**—No, Mr. Speaker, but such interjections stir me up. My boys went to the war very young indeed. I know that some honorable members lost their sons. Many families lost a great deal, and it rouses me to hear the honorable member for Barrier sneering at our brave men, and calling them "killers."

**Mr. CONSIDINE.**—You are not speaking the truth now.

**Mr. AUSTIN CHAPMAN.**—Yes, I am, and if I had my health and strength I would take the honorable member by the nose, and lead him out of the chamber.

**Mr. SPEAKER.**—Order! I ask the honorable member for Barrier not to continue his interruptions.

**Mr. TUDOR.**—It would be as well if the honorable member for Eden-Monaro kept within the terms of the motion.

**Mr. AUSTIN CHAPMAN.**—Yes, but with his experience of parliamentary life the honorable member for Yarra knows that I am entitled to reply to interjections. And surely the honorable member knows that he, too, is out of order in interjecting. All I can say now is that if ever I hear anybody refer to our boys as "killers," they will get the length of my tongue, and if they are within reach they will feel the

weight of my fist, too. But these interjections have been made merely for the purpose of throwing me off the track.

Mr. GABB.—You are on a very good track, I think.

Mr. AUSTIN CHAPMAN.—I doubt if the honorable member thinks so, and I may remark that I do not notice any medal on the lapel of his coat.

Mr. CONSIDINE.—Apparently it does not matter whether we agree or disagree with the honorable member; we get it all the same.

Mr. AUSTIN CHAPMAN.—I will say what I think until the Speaker calls me to account. However, I know it is a mistake to use a sledge-hammer for the purpose of killing a fly. I have already stated that, in my opinion, there should be some amendment of the Old-age and Invalid Pensions Act. Some means must be found to raise sufficient money to enable us to pay our pensioners a decent allowance. This half-starvation rate is no good to them at all. What is going to become of them if they cannot get enough to live upon? One-half of the pensioners are tightening their belts to-day, because the 15s. per week is not sufficient, and we, who are sitting on cushioned seats in this chamber, should not allow this state of affairs to continue. We must face our responsibilities. It is idle to say that the pensions bill has grown to a large amount. Even if it has, on the other hand we have largely increased revenue. Some of the big "money-bags" who did not subscribe to war loans or do very much to help this country during the war period should be made to pay. Where would they be with their wealth, their homes, their stations, their terraces of houses, but for the services of men who to-day are among our pensioners; men, grown grey in the service of the country, but who were not wise enough to amass any of the world's goods for their old age? Lack of cash appears to be the only objection to the proposal to increase the pension. That is not a sufficient answer. The present allowance is not any better than 7s. would have been when the Act was passed, and it is logical that we should go further and pay these people at least £1 per week. I say unhesitatingly that Australia can afford this amount. I am satisfied that, if a vote of the people were taken to-morrow, there would be an overwhelming majority in favour of the increase, and I propose, so

far as I am able, to insist upon something being done. I was chairman of the Commission that inquired into this subject, and visited every State of the Commonwealth in order to get the fullest information upon it. The Commission was composed of members of all sides of the House, and its first recommendation was that the pension should not be regarded as charity but as a right; the right to live. If, now, we are not prepared to give our pensioners the means to live, then we are not acting decently by them. On the contrary, we are suggesting that it is a crime to be poor. Unfortunately, the mills grind slowly. The allowance of 10s. continued till 1916, and the increase to 15s. only came into force this year. Twenty years ago the same objections were raised. We were told that we could not afford the money, and it took us till 1916 to make up our minds to increase the amount to 12s. 6d. This is not playing the game fairly. We can afford to pay a further increase. One crank of the Customs wheel, or a special tax upon the rich people of the community—and I do not think there would be very much objection on their part—will provide the necessary cash. I hope the Government will take notice of what I have said on this subject. I know that private members' resolutions do not count for very much in this House, but if the Government, of their own volition, are disinclined to do anything, then honorable members should insist upon something being done in the interests of our old-age and invalid pensioners.

Sir JOSEPH COOK (Parramatta—Minister for the Navy and Acting Treasurer) [3.40].—I was to have spoken at a previous sitting on this question, but it will be remembered that the honorable member for Hume (Mr. Parker Mooney) took up the whole of the available time. I propose to give the House a few figures which may be interesting, if not to-day, or some other occasion. This is a matter which, as is well known, falls within my purview just now as a matter of administration. I have had several deputations and representations made to me lately with regard to increasing the old-age and invalid pensions, and it would be the easiest and most pleasant thing to me to be able to say at once, "Yes, the pensioners shall have £1 a week"; but it is

quite another matter when we come to consider ways and means of providing even for so worthy an object. Only six months ago we decided to increase these pensions by 2s. 6d. a week, making a 50 per cent. increase altogether since the Act was originally passed. It was estimated that this additional 2s. 6d. a week for the number of pensioners then on the roll would mean an additional expenditure of £800,000 a year. For the six months since that decision was arrived at, and the Act was amended, that increase alone has cost us, as I said to-day, nearly £700,000, and it is quite certain that before the year is over it will have cost us £1,500,000. From some figures I have here I find that for the financial year ending 30th June, 1915, when the maximum rate of pension was 10s. a week, the amount paid was £2,704,309.

Mr. TUDOR.—That is for both invalid and old-age pensions?

Sir JOSEPH COOK.—For both; and the amount paid must have been a great deal less in the year the Act was originally passed. In 1916 the payments amounted to £2,859,766. In that year—and this is the point I wish to make—the limit of income and pension was raised to £58 10s. per annum, and the maximum pension to 12s. 6d. per week. Although the increased rate was in operation for only nine months of the period, the payments for the year ending June, 1917, rose to £3,518,987. The full effect of the increase was shown in the year ending June, 1918, the payments for that year being £3,753,977—an increase of £894,211 over the expenditure of two years before, when the maximum pension was 10s. For the year ending June, 1919, the amount paid in pensions was £3,880,865. On the 1st January, 1920, the limit of income and pension was raised to £65 per annum, and the maximum pension to 15s. per week. Although the increased rate was paid for only about half the period, the payments for the year ending 30th June, 1920, were £4,574,000; and it is estimated that at least £5,300,000 will be required for the year ending June, 1921, assuming that no further increase is made in the meantime. It will be seen, therefore, that the payments for 1920-21 will be almost double those for 1914-15.

Mr. RILEY.—On account of the increased number of applicants.

Sir JOSEPH COOK.—That is what I was about to point out. It is now suggested by the honorable member for Eden-Monaro (Mr. Austin Chapman), and other honorable members, and was also suggested to me the other day by a deputation, that the pensions should be increased by another 5s. Every one knows the great interest that the honorable member for Eden-Monaro has taken in these old people; indeed, in some respects he may be said to be the father of the old-age pensions scheme, and he naturally feels strongly regarding it. I am very sorry to have to damp his ardour, and sorry that I cannot do everything that he would like to have done, even for so worthy a cause. Another 5s. a week, as suggested, would give us a pensions bill of between £7,000,000 and £8,000,000 a year, and we must remember that we have to provide war pensions amounting to £7,000,000 per annum.

Mr. TUDOR.—The war pensions will increase for many years to come.

Sir JOSEPH COOK.—I would not say that.

Mr. TUDOR.—Our returned soldiers are getting married, and will have children.

Sir JOSEPH COOK.—But, unfortunately, soldiers die like other people, and I do not see that there can be a very much larger increase in the war pensions. I think that we are pretty well at the apex now.

Mr. BAYLEY.—The American experience was contrary to that.

Sir JOSEPH COOK.—I know; but the American experience is not ours, nor is ours American administration. However, that is as it may be, and it remains to be seen whether the war pensions will increase, decrease, or remain stationary. I rather think, as I say, that we are getting towards the apex of expenditure.

Mr. JOWETT.—You are a very sanguine man!

Sir JOSEPH COOK.—If the war pensions increase beyond £7,000,000, it means that our pensions expenditure, taken altogether, will be a tremendous liability on the country. At any rate, to give the old-age and invalid pensioners another 5s. a week would mean a yearly bill of close on £8,000,000, in addition to the £7,000,000 or £8,000,000 for war pensions.

Mr. AUSTIN CHAPMAN.—What is the alternative?

Sir JOSEPH COOK.—There is a limit to the capacity of the country to contribute even to desirable objects. The honorable member for Eden-Monaro (Mr. Austin Chapman) has told us that there are sources of wealth that could be tapped, and has spoken of "money-bags" from which revenue could be derived. But the "money-bags" are being tapped to-day.

Mr. AUSTIN CHAPMAN.—Some of them. The Government have not had a "bob" towards the loans from a lot of rich people who ought to be made to pay.

Sir JOSEPH COOK.—I remind the honorable member that there is not only the question of loans, but the question of taxation, and some of the "money-bags" are being taxed up to 8s. and 9s. in the £1 for Federal purposes alone, in addition to the taxation paid to the States. The "money-bags" are "paying up" and it is no use girding at them unnecessarily; nor must we let sentiment run away with us when dealing with these poor old pensioners. They are an obligation, and I am one who believes thoroughly in the old-age pension system. I think the State owes something to these people, though I do not pretend to agree with the statement made this afternoon that there are no obligations remaining with members of the pensioners' families. I do not lay down that doctrine, and I do not think that an unfortunate member of a family should be altogether a direct charge upon the State when there are other members of the same family who should discharge their family obligations if they are able to do so. However, this motion is really not an old-age pensions proposition, but one to create a destitute and benevolent department, which is to be associated with the Old-age Pensions office, and statutory authority for the establishment of which is to be incorporated with the Old-age Pensions Act. So far as I read it, it simply means that any old-age pensioner who cares to make a statutory declaration that he does not possess sufficient means to enable him to make ends meet, shall be at once granted an additional 15s. per week.

Mr. CONSIDINE.—It does not say that. It provides that "any person" making a statutory declaration shall be granted that additional amount. It applies, therefore, to any inhabitant of Australia.

Sir JOSEPH COOK.—And, therefore, to any old-age pensioner.

Mr. CONSIDINE.—It goes much farther than the Minister suggests.

Sir JOSEPH COOK.—I know that. I am merely dealing with one aspect of it. It means that an additional 15s. per week shall be granted to every old-age pensioner who cares to go before a schoolmaster, a postmaster, a Customs officer, a union secretary, a magistrate, or "other appointed individual," and make a statutory declaration that he is insufficiently fed, clothed, or sheltered. Such a provision would double the cost of our old-age pension scheme at once. At present, our old-age pensions amount to £5,300,000 per annum, and the effect of adopting this proposal would be to immediately increase them to £10,600,000 per annum. But, as the honorable member for Barrier (Mr. Considine) has very properly pointed out, this motion relates to all destitute persons in the community. Clearly, therefore, we should increase that sum very considerably. Indeed, it is safe to say that if effect were given to this motion, our yearly bill for old-age pensions and destitute persons would aggregate, £12,000,000 or £13,000,000.

Mr. MATHEWS.—That would cure the position very quickly. The pensioners would go to work then.

Sir JOSEPH COOK.—Would it cure the position? Would a pensioner be likely to go to work if, instead of receiving only 15s. per week, he received 30s. per week?

Mr. MATHEWS.—Men become destitute because of the economic situation. The Minister knows that.

Sir JOSEPH COOK.—I have yet to learn that an increase of the old-age pension would cause destitute persons to go to work.

Mr. AUSTIN CHAPMAN.—There are many honorable members who cannot support this motion, but who are in favour of increasing the old-age pension.

Sir JOSEPH COOK.—I know that. The honorable member is quite diplomatic in eschewing all the other aspects of the motion, and in confining himself to the old-age pensions side of it. But nobody can agree to a proposition of this kind. It is far too sweeping.

Mr. MATHEWS.—Although there are financial difficulties in the way, if the Minister himself will reflect for a little while he will recognise that the course proposed to be adopted is the correct one.

**Sir JOSEPH COOK.**—I should like to point out another striking fact in connexion with these old-age pension increases. Somehow or other every increase in the amount of the pension opens the way to a tremendous increase in the number of applicants for it. The pension becomes more attractive, and people who would not apply for it when it was only 10s. per week do not scruple to apply for it when it is 15s. per week. I have here some instructive figures in this connexion. Our officer goes on to say that during the year following 1916, when the pension was increased from 10s. to 12s. 6d. per week, the number of pensioners increased by 6,488, whilst in the year previous to 1916 the increase in the number was only 2,791. The figures for the half-year ended 30th June, 1920—the Act had again been liberalized in the meantime—are even more convincing when compared with the corresponding six months ended 30th June, 1919. The increase in the number of applicants for the six months ended 30th June last was 1,579, whilst for the six months just closed it was 4,313—an increase of 2,634 above the normal increase.

**Mr. RILEY.**—The point is whether the applicants were, by reason of age, qualified to receive the pension.

**Sir JOSEPH COOK.**—The facts show that every increase in the amount of the pension attracts people who did not ask it previously. That is the point which these figures bring out.

**Mr. RILEY.**—But the applicants must be qualified.

**Sir JOSEPH COOK.**—A new set of pensioners apply for the pension immediately the terms are liberalized in this way.

**Mr. GABB.**—Is it not a fact that the increase in the cost of living has compelled these extra persons to apply for the pension?

**Sir JOSEPH COOK.**—Certainly not.

**Mr. AUSTIN CHAPMAN.**—The Minister is on a slippery wicket now.

**Sir JOSEPH COOK.**—Indeed, I am not: why should I be? Surely the increased cost of living ought to have given us more pensioners when pensions were on the lower rate. But experience shows that the higher the pension the greater is the number of applicants for it.

**Mr. GABB.**—Have not the increase in the number of pensioners, and the increase in the cost of living, been concurrent?

**Sir JOSEPH COOK.**—Not to the same extent.

**Mr. MATHEWS.**—The increase in the cost of living is 100 per cent.

**Sir JOSEPH COOK.**—I would like the honorable member to understand that the increase in the number of new pensioners has amounted to about 150 per cent. in two years. Surely the cost of living has not risen to that extent within the same period. The simple fact is that the higher we make the pension rate the more applicants there are for the pension, because the more tempting it becomes. People who would not bother about it when it was 10s. or 12s. 6d. per week do bother about it when it is made 15s. per week. I am stating these facts in order that honorable members may ruminate upon them, and in the hope that if they can offer a better explanation of them they may favour me with it on some future occasion.

I have here another set of figures relating to the number of old-age pensioners in the Commonwealth, which will prove interesting to the House. In April last there were 98,750 old-age pensioners in the Commonwealth, and 34,000 invalid pensioners. The old-age male pensioners number, approximately, 39,000, and the female pensioners 59,000. There are thus 20,000 more female old-age pensioners than there are male. The invalid pensioners comprise 16,000 male, and 18,000 females—a total of 34,000. These figures, of course, are not absolutely correct, but they are sufficiently close for ordinary purposes. The percentage of old-age pensioners to those who are eligible by age is just less than 34 per cent. for men, and just over 34 per cent. for women. The qualifying ages are, respectively, 65 and 60 years. The numbers of pensioners, according to population at 30th June, 1919, were as under:

Old age—190 in each 10,000 of population.

Invalid—63 in each 10,000 of population,

253 in each 10,000 of population.

About 2½ per cent. of the entire population are in receipt of pensions in one way or another.

**Mr. MATHEWS.**—If a destitute allowance were made, the proportion would not be more than 3 per cent.

**Sir JOSEPH COOK.**—Experience does not justify that assertion. Figures show that with every effort at liberalization, there is a great increase in the applicants.

**Mr. MATHEWS.**—Is not the difficulty of finding the money due to commitments as the outcome of the war?

**Sir JOSEPH COOK.**—Of course, that is one of the reasons. However, everything in the world is more or less relative; and with all the criticism of our old-age pension scheme, it is still the most liberal in the world. I should be glad to be able to concede this extra 5s. per week if, in the circumstances, it were possible to do so; but this year, with all our towering commitments, we are paying the old-age pensioners of the community an additional £1,500,000, and I am afraid that it is more than I can promise at the moment to consent to pay them another £1,500,000 next year.

**Mr. CONSIDINE** (Barrier) [4.4].—The honorable member for Eden-Monaro (Mr. Austin Chapman) wilfully or inadvertently misunderstood an interjection I made during the course of his speech. I said that when it became a question of killing, any amount of money could be found. I was endeavouring to demonstrate that in all countries, not only in Australia, any amount of money can be found when it is a question of warfare, but that the cry of insufficient funds is always raised when the matter is one affecting social welfare. I had not the slightest intention of reflecting on any honorable member who had sons or relatives at the Front.

**Sir JOSEPH COOK.**—Admitting all that for the moment, the honorable member knows the old democratic sentiment that the safety of the State is the highest law and the first necessity.

**Mr. CONSIDINE.**—At the proper moment, I shall be quite prepared to debate that matter with the Minister for the Navy (Sir Joseph Cook).

**Mr. AUSTIN CHAPMAN.**—What would the honorable member do if a burglar attacked him?

**Mr. CONSIDINE.**—I am now engaged in the task for which I was sent to this House, and that is to prevent burglary on my own class; as a sort of policeman, I am trying to get a restoration of some of the property of the working man which has been taken from him by the exploiters of this country.

While I support the principle, because of the spirit behind it, that there ought to be no destitute men or women in Australia, that every individual should not only have the right to work, but should also be obliged to work, except those who, owing to physical disabilities, are unable to do so, and that those who have "done their bit" in helping to build up the country and make it what it is, and have reached an age when their working time is over, should be provided for, not as a matter of charity but as a right, I disagree with the wording of the motion which makes the granting of the pension an act of charity. It is incumbent upon the person who applies for assistance to seek it as an act of charity, when it is his right to get it.

In the course of his exchanges with me, the honorable member for Eden-Monaro made some reference to the Bolsheviks. The very sentiments to which the honorable member gave expression to-day have been put into actual practice by those Bolsheviks he so much despises.

**Mr. JOWETT.**—How many have the Bolsheviks killed?

**Mr. CONSIDINE.**—All that was necessary. Official statements show that there were more people executed by the Allies in Murmansk and Archangel than were executed by the Bolsheviks in the whole of Russia. For the information of honorable members, I shall quote a few passages from *Bolshevik Russia, Its Code of Labour Laws*, a publication edited by the People's Commissariat of Justice, and printed in Petrograd. The first I quote is as follows:—

#### ON COMPULSORY LABOUR.

All citizens of the R.S.F.S.R., with the exceptions stated in articles 2 and 3, are subject to compulsory labour.

2. The following are exempted from compulsory labour:—

- (a) Persons under sixteen years of age;
- (b) All persons older than fifty years;
- (c) Persons who have lost their working ability due to mutilation and illness.

3. From compulsory labour are temporarily exempted:—

(a) Persons who, owing to illness or mutilation, have temporarily lost their working ability, for a period necessary for their recovery;

(b) Women with child, for a period of eight weeks before and eight weeks after confinement.

I would like to point out to the honorable member for Eden-Monaro (Mr. Austin Chapman) that the Commonwealth has a good deal further to go before its legislation can compare with provisions such as these. The honorable member said that certain persons should be allowed to work if they were able, and by that means supplement their pensions.

Mr. AUSTIN CHAPMAN.—Hear, hear!

Mr. CONSIDINE.—I am glad the honorable member for Eden-Monaro is being converted. The next passage I quote is—

#### RIGHT OF APPLICATION OF LABOUR.

12. Out of the number of persons exempted from compulsory labour only those mentioned in paragraph *b* of article 2 have the right to apply their labour.

Paragraph *b* of article 2 reads—

"All persons older than fifty years."

Mr. AUSTIN CHAPMAN.—Will the honorable member read the article right through.

Mr. CONSIDINE.—I have just given it.

Mr. AUSTIN CHAPMAN.—Only one paragraph.

Mr. CONSIDINE.—I gave that relating to the exemption of compulsory labour, and sufficient to show that Bolsheviks are in harmony with the honorable member's plea, as submitted this afternoon, that those over fifty years of age should be allowed to apply their labour if they so desired.

Mr. LAIRD SMITH.—Are all persons over fifty years of age receiving an old-age pension?

Mr. CONSIDINE.—Yes, with the provision advocated by the honorable member for Eden-Monaro (Mr. Austin Chapman) that they can apply their labour if they so desire. It will be seen, therefore, that the honorable member is, to that extent, in harmony with the principles of Bolshevism which he denounces. The next passage is—

#### UNEMPLOYED AND PAYMENT OF SUBSIDIES.

The fund of insurance of unemployed is composed of (a) payments from all enterprises, establishments, and persons exploiting labour against remuneration; (b) fines imposed for delay of payments; (c) casual payments.

In other words, the fund from which those who are temporarily unemployed are paid, is made up from contributions of employers or the State-owned works on a percentage basis of the total salaries. An unemployment fund is thereby created which provides for those compulsorily out of work. Everybody under the age exemption is compelled to work, and the honorable member for Denison (Mr. Laird Smith) nods his head in agreement.

Mr. LAIRD SMITH.—I agree that every one should work.

Mr. CONSIDINE.—As the honorable member has expressed himself in agreement, I am glad to see that the principles of Bolshevism are spreading even to the Ministerial benches. The honorable member for Eden-Monaro (Mr. Austin Chapman) has already paid tribute—inadvertently, I admit—to the principles of Bolshevism, and I am sure he will not go back upon them simply because the Bolsheviks happen to have adopted them. The honorable member for Denison (Mr. Laird Smith) has expressed himself in favour of compulsory labour, and it naturally follows that if everybody works, and the exemptions are similar to those provided by the much-maligned Bolsheviks of Russia, there will be no need to go further.

Mr. AUSTIN CHAPMAN.—Will the honorable member allow me to peruse the book from which he has quoted?

Mr. CONSIDINE.—Yes, but the honorable member can purchase them in any quantity at a Bourke-street establishment. So far as the discussion on this motion has gone it would appear that there is no need for further debate; but there is a need for investigation and careful consideration of the social legislation of other lands, particularly Russia. If we perused the legislation that has been enacted by people whom some delight to abuse, it would be found that many of its provisions would be very useful here. Notwithstanding the prejudices that exist I believe that we could discover much that would be of considerable advantage to the people of Australia and which would render motions of this character unnecessary. The question is one that is worthy of attention, but I am reminded of the Biblical saying—that "the harvest truly is plenteous but the labourers are few."

Mr. JOWETT.—In Russia they killed most of the labourers.

Mr. CONSIDINE.—The honorable member will then, perhaps, be prepared to explain why the British Premier (Mr. Lloyd George) and other statesmen are so earnestly seeking reconciliation with Russia and participation in her food supplies.

Mr. BURCHELL.—Is that why Mrs. Philip Snowden speaks so enthusiastically concerning Russia?

Mr. CONSIDINE.—The honorable member for Fremantle (Mr. Burchell) must remember that Mrs. Snowden was one of a party which visited Russia as a Labour mission from Great Britain; but, although we have been told her views, there is a suspicious silence regarding those of the other members of the mission, who must have reported the result of their investigations. Why have Mrs. Snowden's opinions been given such prominence?

Mr. BURCHELL.—Because she was an ardent advocate of Soviet Government, and her conversion is so pronounced.

Mr. CONSIDINE.—Neither she nor her husband were advocates of the Soviet system, as the honorable member knows. It is an unfortunate thing that a resolution agreed to on the motion of a private member does not carry much weight; but the honorable member for Melbourne has at least afforded us an opportunity to discuss the bedrock facts of a question of vital interest to the people of Australia.

Mr. JOWETT.—Do not run away from Russia.

Mr. HECTOR LAMOND.—The honorable member wants you to stick to a question that you do not know much about.

Mr. CONSIDINE.—If the honorable member for Illawarra (Mr. Hector Lamond) suggests that I know nothing of the conditions in Russia, I shall be pleased to meet him on the public platform, and there discuss the Russian situation.

Mr. HECTOR LAMOND.—As the public would know as little about the matter as either of us, not much would be gained by such a discussion.

Mr. CONSIDINE.—I challenge the honorable member, or any other honorable member, to discuss with me, on the public

platform or elsewhere, the Soviet Government of Russia. I am prepared to defend the Bolsheviks and the present Administration of Russia.

Mr. LAZZARINI (Werriwa) [4.25].—I rise to support the motion, although, like the honorable member for Barrier (Mr. Considine), I would prefer to have the idea of charity dissociated from the proposal. I should like to have destitute persons provided for by an amendment of the old-age and invalid pensions legislation. The burden of the Minister's argument seemed to be that if those pensions were increased, the applicants for them would become more numerous. There is not much force in that argument. The country has agreed to the provision of old-age and invalid pensions, and the continuance of the system is an admission of the need for providing a decent living for those eligible for the pension. It was thought, when the pension system was introduced, that 10s. a week was the lowest sum that would be of any service, and if 10s. was the minimum then, £1 is not sufficient now, because, despite Mr. Knibbs and statistics generally, it is absurd to say that the cost of living has increased only 50 or 65 per cent. Everything that I buy has increased 100 or 200 per cent.

Mr. HECTOR LAMOND.—Perhaps that is owing to the duties.

Mr. TUDOR.—Has the price of meat, flour, and butter increased because of the duties?

Mr. LAZZARINI.—I am not now concerned with the cause of the increase of prices; I am merely stating the fact that prices have increased, and that the old-age and invalid pensioners, therefore, find their allowances insufficient. In my opinion, the pension should be 30s. a week, and I would support the increase in the rate to that amount. The basis laid down in 1912 was the allotment of £1 a week for each adult, with 10s. for each child under the age of twelve years, so that a husband with a wife and three children would receive £3 10s. a week. To-day such a household should be paid at least £7 a week.

But as the time allowed by the Standing Orders for the consideration of the orders of the day has nearly expired, I ask leave to continue my remarks on another occasion.

Leave granted; debate adjourned.

## INTERNMENT CAMPS.

**Mr. GABB** (Angus) [4.30].—I move—

That a Select Committee be appointed, with power to send for persons, papers, and records, and to move from place to place to inquire into—(a) the control and management of internment camps, including the expenditure in connexion therewith; (b) the treatment of internees; and (c) to investigate the circumstances in connexion with the internment of any native-born or naturalized subject who, by statutory declaration, affirms that he has reasonable grounds for believing, and does believe, his internment to have been the result of untruthful information maliciously furnished to the authorities in his regard.

The subject of my motion was brought before the House some three months ago, when the Leader of the Labour party (Mr. Tudor) moved the adjournment to discuss it. It is not my purpose to speak to-day at any great length, unless replying to interjections makes it necessary to do so. I admit that I have some feeling in this matter, but I wish to discuss it in a spirit of calmness, in the hope of influencing honorable members with a view to bringing a little nearer the granting of justice to certain persons, particularly persons born in Australia, and I should like a vote to be taken on the motion this afternoon. I shall not repeat now statements which I have already made in this Chamber on two previous occasions. I am afraid that were I to allow myself to speak at length, I might be tempted to bring before the House cases that would convince members of the need for fair play for certain men.

**Mr. BELL.**—Let us have them.

**Mr. GABB.**—I may mention one or two, but while some persons who have made statements to me are willing that I should mention their names, others have asked me to keep their names secret. Honorable members may ask the reason for that. I would remind them that the War Precautions Act is still in force. The persons to whom I refer have received such treatment from the present Government that they would not be surprised at anything that might be done to them even now. I do not wish them to be victimized, and I know that feeling generally is cooling down; that the War Precautions Act will presently cease to operate, and that then these

persons may speak the truth without fear of injury. I know, too, that if I cannot get what I am asking for now, I shall be able, if I am spared, to make another attempt next session, and if that is unsuccessful, a further attempt in the following session. This is a letter which was sent to me yesterday. It shows what my opinion of the position is when I have taken care to tear off the name and the place it came from. It was not sent to me in order that I should read it in the House, but there are one or two sentences in it which I think I ought to read, because they show the feeling of fear existing in the minds of our Australian-born who have had to go through the experience of internment. This is one passage—

Have you any idea when the War Precautions Act is to be entirely abolished? This damnable instrument hangs like the executioner's blade—

**The DEPUTY SPEAKER (Mr. Chanter).**—Order! The honorable member has no right to cast any reflection upon an Act of this Parliament.

**Mr. GABB.**—I am not casting any reflection. I am simply quoting what is in the letter.

**The DEPUTY SPEAKER.**—The honorable member by reading the letter is making himself responsible for the statements contained in it.

**Mr. GABB.**—Seeing that I am not allowed to make use of such a strong expression, I will leave it out.

This instrument hangs like the executioner's blade over our heads, and naturally prevents any of us from publicly making known many things condemnatory of the Australian Kaiser's attitude towards Australian-born subjects.

That gives a true reflex of the state of fear and suspicion in the minds of many of these people, and for that reason I do not intend to bring under the notice of the House many of the cases which I could quote.

It will be noticed that my motion is divided into three parts. The two first ask for a Select Committee to inquire into the internment camps and the treatment of the internees. That is not the most important reason why a Select Committee should be appointed, and if I could obtain the last portion of the motion I should be even willing to forego

the two first parts. Still it seems to me that some good may come from an inquiry into those things, if only because I have heard, and others may also have heard, of certain things which are said to have happened in the internment camps. I, as an Australian, would like an inquiry, so that if the statements are not true we may be clean and clear in the eyes of all, and, if they are true, the people of Australia may know what militarism means, and may not be deluded, as some of them seem to be to-day, into the belief that militarism in Australia must necessarily be different from militarism anywhere else in the world.

Mr. BAMFORD.—It is different. We have not seen a man shot in Australia, anyhow.

Mr. GABB.—Is the honorable member sure of what he is saying?

Mr. BAMFORD.—Yes.

Mr. GABB.—I am not. I will mark the honorable member's interjection, and when the time comes will answer it. If the honorable member will make inquiries privately I think he will find that he may not be correct. In any case there may have been circumstances where even that extreme course was justified. I believe the expenditure on the internment camps was between £1,250,000 and £1,500,000.

Mr. HECTOR LAMOND.—The internees were treated better than the soldiers were.

Mr. GABB.—The honorable member may be right, but I have heard otherwise, and that is another reason why I should like a Select Committee that will have the confidence of the people to go into the matter.

Mr. HECTOR LAMOND.—This Select Committee will have the defect that it will not have the confidence of the people.

Mr. GABB.—The honorable member does not know who will be on the Committee. He, therefore, cannot say that it will not have the confidence of the people. It would be a good thing if the whole question could be cleared up. I am here as an Australian, and am proud of the fact that I am an Australian, and it hurts me when I hear of some of the things that are said to have happened. I should like to be on sure ground in saying that they have not happened.

Mr. MARR.—Did you fight for Australia when she needed your services?

Mr. GABB.—Let me tell the honorable member that I did not fight on fields afar for a position in the Commonwealth Legislature. I do not wish that reflection to be cast on every member who has been in the ranks. I do not think that of them; but the first man in the House who interjected on those lines was the honorable member for Parkes. His attitude to me seems to show that he is a little inclined to make overmuch of the fact that he has been on the other side of the water.

Mr. BAMFORD.—You brought it all on yourself because you said you thought so much of Australia.

Mr. GABB.—I think so much of Australia that if ever the day comes when I believe it is in danger I shall be prepared to fight. Throughout the whole of this war I never once saw any chance of the British Empire losing the war, and never once saw any danger to Australia. After all, I do not see why, if a man is a returned soldier, he should be unjust to Australian-born citizens. If the honorable member has antipathy for me, that is no reason why he should have antipathy to Australian-born citizens who have not been fairly treated. Honorable members may "sling" all the mud they like at me, but I am here battling for these people because I am convinced, from my inside knowledge of different things I have had the chance of reading about, from diaries that have been kept, and from meeting these men, who were once honoured, but who are not honoured to-day on account of the stigma which has been placed on them, that many of them have not received a fair deal. I do not want the question of war service to be drawn in, because, after all, that is only an attempt to influence the minds of some of the members of the House not to give justice to these people. Honorable members can think what they like about me, but I want them to give me a chance to get justice for these others.

Mr. BELL.—Are you going to tell us the nature of the ill-treatment?

Mr. GABB.—No; I am not going to make any comments about the camps.

Mr. JOWETT.—Then what is the good of the Select Committee?

Mr. GABB.—I am going to bring before the House one or two cases. I could bring up many, and in due time I shall quote all that honorable members want.

**Mr. BELL.**—We want to hear them.

**Mr. GABB.**—That would be dangerous to some of these people, unless the War Precautions Act is first removed out of the way.

**Mr. BELL.**—Why?

**Mr. GABB.**—Because under that Act unlimited power is given to this Ministry. In the interests of these people, and at the wish of some of them, I am not prepared to give the details now. As the honorable member for Barrier (Mr. Considine) asks me, "What is to prevent the Government, if they want to, from deporting any of these men?" Nothing whatever. It surprises me that the members of this Parliament have allowed the present position to go on so long. The war has been at an end for a long time. Germany, Austria, Bulgaria, and Hungary have all signed the Peace treaties, yet our War Precautions Act is still in force, and unless something is done to terminate it, it is bound to operate for the full length of this year, if not longer. We sit down here helpless in front of that Act. I have heard one or two members of the Country party, and some of the members on this side, complain about it, but the Act is still in operation, and if a man has been once caught under it he is afraid of the same weapon falling upon him again. The honorable member for Darwin (Mr. Bell) may be asking me for particulars from the best of motives, but I am going to tell my story in my own way.

Those who were interned, so far as I have been able to go into their cases, may be divided into four classes.

**Mr. JOWETT.**—Are the people that the honorable member speaks of still interned?

**Mr. GABB.**—No. I am asking for a Select Committee, not to get them out of an internment camp, but to give those who remain here a chance to clear themselves of the stigma of disloyalty that is upon them to-day.

**Mr. JOWETT.**—Are they still being interfered with in any way by the authorities?

**Mr. GABB.**—Not that I know of. The first class would include the recent arrivals in Australia. Amongst those who came here when the war started there would be a good many runaway sailors. So far as I have been able to gain infor-

mation, it seems to me that much of the trouble was created by runaway sailors and others who had only recently come to this country. I have no complaint to make about the internment of those men, nor could I have. The Government was justified in taking those who had recently come here, and whose sympathies were bound to be with their native country, and putting them where they would not do any harm. I have no complaint to make about that particular class, provided that they were treated humanely in the camps. The second class comprises unnaturalized persons who have been in Australia for a long period. Some honorable members may say it was their own fault that they were not naturalized. Some of these cases have come before me, and I find the position to be as follows:—The South Australian law in regard to naturalization did not necessarily confer naturalization on the child with the naturalization of the parent. I am informed that in some of the other States the opposite was the case, and that, consequently, when a person who came from Germany with his family became naturalized there, his naturalization automatically passed to all his children who were under twenty-one years of age. Many of the people in Australia to-day who have been here since childhood are not naturalized simply because they thought that their naturalization was necessarily consequent on the naturalization of their parents. Others have told me that they paid men to get them naturalized. They so little understood the procedure that they did not trouble, even when no certificate of naturalization was given to them, and they find now that they were simply fooled. Honorable members may be inclined to take this with a grain of salt, but I assure them that there have been on the rolls numbers of electors who were not naturalized, although they thought they were. It was only when it was pointed out to them, after the war started, that they were not naturalized, that they had to go off the rolls. This class is distinctly unfortunate. I recognise that the Government were acting within their legal rights in their case, but it seems to me that since these people had been residents of the Commonwealth for many years, and had proved themselves good citizens, the Government, in interning them, were pressing for the uttermost.

Mr. HECTOR LAMOND.—They were not interned because they were not naturalized.

Mr. GABB.—I recognise that; but I do not know why they were interned. The fact that, although they had been resident in the Commonwealth for many years, they remained unnaturalized told against them in the opinion of many people, and it is for that reason that I have explained why they failed to take out naturalization papers. They believed that they were covered by the naturalization of their parents. I understand that under a Commonwealth Act which came into operation only a few months ago, the naturalization of a foreigner will apply to all his children under the age of twenty-one years.

Mr. JOWETT.—The honorable member knows that these people were interned because they were believed to be disloyal.

Mr. GABB.—That is what the honorable member and the majority of the House think; but I can quote a statement made by the Prime Minister (Mr. Hughes) that many of these people were interned on suspicion. A South Australian Judge has said that the fact that a man has been interned is no evidence of his disaffection or disloyalty. Many persons were interned on suspicion, and the trouble is that they come out of the internment camp bearing the same brand as those who might have been absolutely disloyal.

The third class to which I desire to refer are naturalized Australians who were interned. There were 267 cases of that kind. A naturalization paper carries with it the rights of a British subject, and one of the rights of a British subject, War Precautions Act or no such Act, is that he shall not be condemned or imprisoned without a fair trial. These 267 men had taken out naturalization papers, but under the War Precautions Act those "scraps of paper" were, so to speak, torn up by the present Ministry. I can well understand that there might have been suspicion in regard to some of these men, but since they had been naturalized, and had thus been given the rights of British subjects, the Government should have carried out their part of the bargain, and have given them a trial. The last class I propose to mention are those of Australian birth who have been interned, and it is for

these that I am specially in the fight. I am bringing forward these unpopular matters—

Mr. HECTOR LAMOND.—This is a fairly popular matter in the honorable member's electorate.

Mr. GABB.—In order to clear the honorable member's mind, and to induce him to be a little more charitable, let me tell him that a leading Labour worker in my division some three weeks ago said to me, "Gabb, old man, you have done enough to show the German people"—he should have said "Australians"—"that you are trying to be their friend, and are endeavouring to carry out your pledges. Your attitude on this question is being used against you in your electorate for all it is worth. You have proved yourself to be the friend of these people; take my advice and do not have much more to say on the subject." More than half of my electorate are of British origin, and I know that my opponents are stating all over my electorate that I am a pro-German. If I had regard only to my own interests I should accept my friend's advice. He is a stalwart Labour worker who travels over a good part of my electorate, and I have had his friendship for many years. I have already fought an unpopular fight in this connexion, and if I had regard only to my own interests, I would now allow the matter to drop. I believe, however, that these people have been wronged. They are as truly Australian as I am. There are forty-three of them who were born on Australian soil, and I am satisfied that those honorable members who are now jeering at me will, within the next three years, view this matter in its proper light, and recognise that our fellow Australians should be fairly treated.

Mr. JOWETT.—The honorable member has not shown that these men have been unfairly treated.

Mr. GABB.—I shall do so. The Prime Minister recently stated in this House that the question of the injustice done to Australian-born citizens was no longer a live matter. There is in my electorate a man of German origin who, like the Prime Minister, had two boys at the Front. One of them paid the supreme sacrifice, and lies buried in France. This man, who is about the same age as the Prime Minister, was put behind the barbed-wire of the internment camp.

Would any honorable member in the same circumstances consider that his internment as a disloyal subject was not a live question?

Mr. BELL.—I know some absolutely disloyal men whose sons went to the Front—men who said that they would like to shoot their sons for enlisting.

Mr. GABB.—I question whether the son of any man who was so disloyal would go to the Front.

Mr. JOWETT.—There were many such cases.

Mr. GABB.—The spring cannot rise above its source; the influence of the home is great. I cannot believe that a child reared in a disloyal home would enlist. In the light of these facts, it is absurd to say that this is no longer a live question. In another case a poor man of German origin, with a wife and eight little children, returned from work one day to find a constable waiting for him at his gate. He was arrested, taken from place to place, and ultimately interned. His wife was allowed 30s. per week for the upkeep of the family. While he was in camp he learned that she was ill, and naturally desired to go to her, but was not allowed to do so. How would any honorable member like to be treated in that way, especially when he did not know why he was interned? Would this not be a live question to him? In yet another case a wealthy man—and I admit that, in this matter, the Government did not discriminate between the rich and the poor—who was interned, has determined, as soon as the War Precautions Act ceases to operate, to take his case into the Law Courts. He knows that an Act is to be passed indemnifying the Government and its officers for any wrongful act that may have been committed by them; but he is determined to take his case to the Court, in order to clear himself. He told me that, although he had struggled hard for what he had, he had resolved to clear himself of the stigma resting upon him by an appeal to the Courts, even if he had to spend every penny he possessed to do so. How can it be said that this is not a live question to a man who feels so warmly? No honorable member has experienced what it is to be disowned by his own country.

Mr. BELL.—We are not likely to.

Mr. GABB.—I hope not. Even if we were justly disowned by our own country we should be much perturbed, but if we were unjustly disowned and dishonoured—if the sense of injustice rankled in our breasts—would it not be a very live matter to us? This is an intensely live question to those who, in some cases, have been dishonoured on mere suspicion, and it is only reasonable that we should appoint a Select Committee to determine their guilt or innocence. If any of these people, born on Australian soil, enjoying all the advantages of this country, sharing its freedom, and participating in its blessings, are proved to have been disloyal, then the Government may treat them as it pleases. Such people deserve punishment, but let us give them a fair trial. Let us give them a chance to prove their innocence.

Mr. JOWETT.—Does the honorable member say that no Germans in this country were disloyal during the war?

Mr. GABB.—I make no such statement.

Mr. JOWETT.—The honorable member's assertions suggest that he does hold that view.

Mr. GABB.—Not at all. The honorable member does not appear to be able to grasp the meaning of plain English. I am surprised at such an interjection from one who is usually most charitable in his views and dealings.

The Prime Minister on one occasion said in this House, "I would be the last to deny justice to a citizen of this country because he happened to bear a foreign name or because his father came from Germany." If the Prime Minister means that, I hope that the Government will not oppose, but will facilitate, the giving of an opportunity to do justice to these people. If they will afford such an opportunity, that will be a proof that the Prime Minister meant what he said.

Mr. JOWETT.—He always means what he says.

Mr. GABB.—We all have our own opinions about that. I notice that a writer in *Stead's Review*, in commenting upon this matter, did not seem to think that he meant what he said. I believe that there are some members of the Government who are in accord with the statement of the Prime Minister; but, from my experience

in battling here for justice for these people, I am disposed to think that they do not number many, and that there are some Ministers who are inclined to penalize a man simply because he has a German name, or has a German father.

Mr. MARR.—Let the honorable member name them.

Mr. GABB.—I will not name them.

Mr. MARR.—The honorable member should not make such an allegation against them if he is not prepared to name them.

Mr. GABB.—I am asking no favours. I am merely asking for a Select Committee, the members of which can be appointed by this House.

Mr. MARR.—The honorable member is casting insults upon Ministers.

Mr. GABB.—They can look after themselves, and do not need a baby of the House like the honorable member to do that for them. To my sorrow, I know that they are well able to look after themselves, and so I say the honorable member need not worry. They will look after themselves at the right time. I want to come to the point.

Mr. JOWETT.—It is time the honorable member did so.

Mr. GABB.—The honorable member for Grampians (Mr. Jowett) is interjecting so frequently that if he is not careful I shall endeavour, as he deserves it, to have my name passed over to him.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—Order! As a reference has been made by the honorable member to the interjections that are being made, I ask that they shall not continue.

Mr. GABB.—I have no wish to be offensive when speaking, but it is a remarkable thing that it should seem to be recognised that whenever I speak in this House any honorable member may have a shot at me, and so prevent my continuing in the even tenor of my way. If they were wise enough to refrain from interjecting, honorable members opposite would find that I should state my case without undue passion. There is no reason why, because I am fathoming an unpopular cause, and on a recent occasion did the same thing, I should be subjected to so many interjections and interruptions.

Mr. WEST.—It is because you are an honest man.

Mr. SPEAKER.—Order! The honorable member for Angas (Mr. Gabb) has

complained of interjections, and an interjection immediately follows his complaint.

Mr. GABB.—I say that some of these people were removed to the internment camps upon suspicion. I am entitled to come to that conclusion from statements which were made by the Prime Minister in this House. I wish to be as fair to him as possible, and, though I may not use his own words, I quote similes which he made use of to show that he considered that it might be necessary sometimes to have people interned on suspicion. The first simile he used was in regard to loyalty to a political party. He said, in effect, that it is very hard to prove disloyalty on the part of an honorable member to his party or his leader; that one might feel sure that a certain man was disloyal, but at the same time it might be very hard to prove it. Whilst there may be some truth in that statement, I make bold to say that there is no member of his political party who would be expelled by the Prime Minister or by any leader merely because he suspected him of disloyalty to the party. I quote the simile used by the Prime Minister as an admission that some of these people, even if there were only two, were interned on suspicion. We know that loyalty to a political party and loyalty to the country in which one is born are not to be compared, and even if only two of these people who were born in this country were interned on suspicion, I say that they should be given an opportunity to appear before a body in whom they would have confidence, and be given a chance to clear themselves of the stigma cast upon them.

Another simile made use of by the Prime Minister was that of a person suspected to be suffering from small-pox or leprosy. The right honorable gentleman said, in effect, "If a man comes off a boat, a doctor may say to him, 'I do not know whether you have small-pox or not, but I cannot take any risks, and must put you into quarantine on suspicion.'" I intend to refer to the case of a man suspected of suffering from quite another disease. So far as my knowledge goes, a sufferer from either small-pox or leprosy is not blameworthy.

Mr. WEST.—They are dirt diseases.

**Mr. GABB.**—So far as my knowledge goes, sufferers from them are not blameworthy. A man may contract either of these diseases through no fault of his own. To justify the internment of any man, he should be blameworthy; and so I say that a fairer simile to use would be the case of a man suffering from the disease of syphilis.

**Mr. JOWETT.**—Oh, no!

**Mr. GABB.**—I do not want to exhibit any mock modesty in this matter. I wish to treat this question seriously; and so I say that it will be a fairer simile to take the case of a man suffering from the disease of syphilis, and assume that we had in operation a practice which, in my opinion, ought to be adopted, and that is the compulsory segregation of those suffering from this disease.

**Mr. JOWETT.**—Male and female alike?

**Mr. GABB.**—The compulsory segregation of any persons suffering from this disease.

**Dr. EARLE PAGE.**—On suspicion?

**Mr. GABB.**—I am coming to that part. I am merely instancing a simile, and have a right, therefore, to suggest a supposititious case. I will suppose that there is a law which provides for the segregation of persons suffering from syphilis, and that a man may be placed in quarantine on suspicion that he is suffering from the disease.

**Dr. EARLE PAGE.**—He can be in New South Wales,

**Mr. GABB.**—This is a serious matter, and I hope that honorable members will treat it seriously. If they had been confined in an internment camp, and had had to put up with that indignity unjustly, it would be a serious matter for them. I suppose the case of a man who, on suspicion that he is suffering from syphilis, is placed in a quarantine camp with other persons who are there because they are known to have the disease. I then suppose the adoption of the procedure of emptying the whole camp upon the public when it is supposed the occupants have been cured of the disease. The man suspected of being a sufferer from the disease is turned out with those who have been cured of it, and no effort is made to clear him of the stigma cast upon him by his confinement in the quarantine camp. No effort is made to enable him to take up again his true

position in society, and to restore to him the confidence of his wife and family. He is left to come out of the quarantine camp with a stigma upon him; and I assert that there is no difference between the case of such a man and the case of a man who, on suspicion, is placed in an internment camp, and is turned out afterwards with the stigma of disloyalty upon him.

That is a fairer simile to suggest than were those used by the Prime Minister, and, in my view, it indicates the position into which the Government have forced many Australian-born and naturalized people. Honorable members must see that they come out of the internment camp with the stigma of disloyalty upon them.

**Sir GRANVILLE RYRIE.**—What were they put into the internment camps for?

**Mr. GABB.**—That is what they want to know, and what the Government will not tell them. It is in order to find out what they were interned for that I ask for the appointment of a Select Committee. The Prime Minister in another statement made in this House clearly showed that some of these people were put into the internment camps on suspicion. He said, "I do not think that we made many mistakes." That statement carries with it the admission that the Government did make some mistakes. Of course, we know that they made some mistakes, and I have reason to believe that they made many.

**Mr. JOWETT.**—Even the electors sometimes make mistakes.

**Mr. GABB.**—The honorable member thinks he can "chip in" as much as he likes. The electors made a mistake when they sent him here. The point I make is that there must be some of these people now in the community who bear the stigma of disloyalty upon them. The very fact that they feel the stigma of disloyalty shows that some of them are not disloyal. If a man were disloyal do honorable members think that it would worry him, except, perhaps, in business, to be called disloyal? I have tested the heartstrings of many of these people, and I know that they suffer intensely at being called disloyal to this country.

**Mr. BELL.**—I should not mind being called disloyal. It would not trouble me in the least.

Mr. GABB.—The honorable member says he would not mind being called disloyal, but if he reflects upon the matter he will admit that if he were born of a race that is being persecuted in this country he would feel it intensely if he were called disloyal.

Mr. BELL.—If it were true, of course I should.

Mr. GABB.—I thank the honorable member for his interjection. That is just the point. If it were true he would feel it, and I am satisfied that in regard to many of these people who do feel it, the statement that they are disloyal is not true, and this applies particularly to Australian-born persons who were interned.

Mr. JOWETT.—Does the honorable member say that none of these people were disloyal?

Mr. SPEAKER.—I ask the honorable member for Grampians (Mr. Jowett) not to interject.

Mr. GABB.—I am coming to the close of my remarks. I feel my heart beginning to patter rather fast, and I frankly admit that it annoys me to think that there should be some Australian-born men who can sit in this House and show no desire to give to other Australians an opportunity to clear themselves of the stigma of disloyalty. That hurts me.

There has been, so far as I know, only one civil inquiry held in regard to these matters. I do not refer to one that was held recently in regard to the deportation of Father Jerger and Dr. Hirschfeld. I am not dealing with their case at all. The inquiry to which I refer was held at Loxton. I quoted nearly the whole of the report of that inquiry in a previous speech in this House, and will not inflict it again upon honorable members. But I desire again to bring under their notice the fact that the magistrate holding that inquiry used these words—

Clearly no inference of actual disaffection or disloyalty was to be drawn from the mere fact of internment.

That is not any "gas" of mine, but the matured verdict of a man trained to receive evidence and weigh the pros and cons. That was the verdict of Mr. Hewitson, who, so far as I know, is a man of entirely British origin.

Mr. BELL.—That settles the honorable member's argument.

Mr. GABB.—If we could get the people of Australia to think in that way it would be all right; but in regard to certain men

I have been told, "Oh, but he was interned," and that statement has been made as if it were a sufficient answer to everything. It is not a sufficient answer; but, unfortunately, it is so regarded by some people in Australia who do not know that certain persons were put into the internment camps on mere suspicion. In regard to the evidence at the inquiry to which I have referred, I quoted the remarks of the magistrate on one of the military men who gave evidence. While giving him credit for his war duties, as the man had done good service, the magistrate said—

Either his memory was at fault, or he was prepared to make out his case without regard to the truth. That is a serious statement, and judging by the information which has reached me, the same thing has happened in other cases. The time to speak of that is not yet, but if what I have been told in that regard is true, there will not be many people who in future will condemn me for trying to obtain justice for Australian-born subjects. The only inquiry that has been held has related to the cases of two men, both of whom have been cleared of any suspicion. The acquittals to date having been 100 per cent. of the cases tried, surely that is a reason why the House should appoint a Select Committee so that others may have an equal opportunity to clear themselves. Six of the men who are interned in South Australia were justices of the peace. As a rule, men are not appointed to the Commission of the Peace unless they have proved to be good citizens, although, at times, political influence does enter into these appointments. To me it is remarkable that men who held such a high status in the community should be interned on the accusation of, I know not whom, and that their own assertions should go for nought. Some of them were arrested in the middle of the night, and immediately swept into the internment camp. The Assistant Minister for Defence (Sir Granville Ryrie), in answer to an interjection, said that he differentiated between Germans and Australian-born citizens of German origin. I think we ought to do that, and I ask honorable members, particularly those who fought against the Germans, and who know more of their conduct than I do, to distinguish between the two classes of people,

and vote for the appointment of a Select Committee, so that justice may be done to those who, like themselves, were born on Australian soil.

Mr. PARKER MOLONEY.—I formally second the motion.

Mr. WIENHOLT (Moreton) [5.23].—I am sorry that this motion has been moved. Had it been proposed by anybody but the honorable member for Angas (Mr. Gabb), I should have said that it had been brought forward for the purpose of making political capital out of the cases of interned Germans. I do not make that accusation against the honorable member for Angas, because I give him credit for being as sincere as is any other honorable member in this House. But the motion is exceedingly useless. The inquiry which is asked for could do no possible good; at the best it could be only expensive and wasteful, whilst it might be positively mischievous. It relates to a matter that is past and done with. I do not think that even the internees, whose cases have been advocated, would thank the honorable member for proposing an inquiry into the reasons for which they were interned. Much of the difference between the honorable member and myself is due to the fact that he is very much more of an optimist than I am. He said that he never felt, at any time during the war, that Australia or the British Empire was in any danger. That view is held by very few honorable members. Perhaps, because the honorable member believed that the British peoples were in no danger, he takes a different view of the need for internment. To my mind, both Australia and the British Empire were for many years in very grave peril indeed, and while that danger continued internment was a perfectly justifiable precaution. I do not say that it is very pleasant to be interned—I was a prisoner of war for six months—but I am sure that the internees in Australia enjoyed very much better conditions than did Australian soldiers who were in the hands of the enemy. When I was made a prisoner of war, I had been slightly wounded in the hip; my experience commenced with a thirty-days' march without any halt. Only twice during that time was my wound dressed at

all. Then for nearly six months it received no attention, because there was no doctor in the camp. At night the wound adhered to the mattress because I had neither sheet nor blankets. I am not complaining about the treatment; it was all in the game of war, and my hardships were light, compared with those suffered by others. But I think it is ridiculous to endeavour to arouse sympathy for the men who were interned in Australian camps. They, at any rate, knew when and where they would get their next meal; they were reasonably certain that next day they would be sitting at the mess table as usual. That is more than was known by the soldiers serving at the Front. Internment was a necessary precaution during war time, but I admit that it should not in itself be regarded as absolute proof of disloyalty. I have already fought that battle, and I would take strong exception to the Government saying that internment in itself is definite proof of a man's disloyalty and sufficient reason for his deportation. In regard to that matter we ought to act carefully. One case in which I have taken a good deal of interest has brought upon me a good deal of blame; in fact, I am not sure that I have not incurred thereby, even myself, a suspicion of disloyalty. But when I went to the Prime Minister and asked that before deportation the man's case should be reviewed he was perfectly fair. The case was reviewed in the manner we requested, and one must abide by the result. The honorable member for Angas (Mr. Gabb) and I both represent electorates which include a large number of persons who were either born in Germany and came to Australia as children or young men, or are the descendants of such. I have previously made plain my position in regard to them, and that attitude I shall never alter. But the honorable member for Angas has admitted that the feelings which were aroused during the war are cooling down, and I ask him whether it is not better, instead of stirring up and perpetuating bitter feelings which will lead to that most abominable thing in a British community—racial bitterness—which, wherever it asserts itself, weakens the Empire, that we should realize that

the bad years are past, and now help all sections of the community to live together in friendliness and unity as fellow-Australians and British subjects.

**Mr. PARKER MOLONEY** (Hume) [5.32].—A few months ago, when this matter was raised by the Leader of the Opposition (Mr. Tudor), I availed myself of the opportunity to express my sentiments. I cannot understand why the motion should have been referred to by the mover as unpopular. I do not admit that it is. If it be unpopular to give justice where justice is due it is a bad state of affairs for the country. Any unpopularity that surrounds this endeavour on the part of the honorable member for Angas (Mr. Gabb) can be due only to misrepresentation of the subject. The mere wording of the resolution is sufficient to disarm all suspicion and ill-feeling. Honorable members opposite have interjected regarding the war services of honorable members on this side who are supporting the request for this inquiry. I believe that those remarks were made in a jocular spirit. It is quite irrelevant whether those who support the motion served at the Front or not. As for the honorable member who has just resumed his seat, I do not think he touched the matter at all. He said it was past and done with, and that it should be allowed to rest. That is all very well from his point of view. Perhaps the attitude of the honorable member for Moreton (Mr. Wienholt) in regard to this subject, from the beginning, may be such that he does not want it resurrected. I will say no more with respect to that; but this matter is not done with. In the interests of justice, it is not going to be allowed to rest. In the interests of fair play to these people, who are living in Australia under a cloud, having a stigma upon them, it is not going to be dropped. I ask the honorable member for Moreton how this subject can be regarded as past and done with in the eyes of those who have been treated, not as Australian-born citizens, but as lepers, or worse? This motion asks, among other things, that any native-born or naturalized subject who, by statutory declaration, affirms that he has reasonable grounds for believing his internment to have been the result of untruthful information, maliciously furnished, shall have the circumstances investigated.

**Mr. HECTOR LAMOND**.—He can secure that now. It has never been refused to one who has taken that stand.

**Mr. PARKER MOLONEY**.—That statement is absolutely unfounded.

**Mr. HECTOR LAMOND**.—There has not been a case in regard to which such a request has been made that has not been inquired into. The honorable member for Angas (Mr. Gabb) did not cite a single case in which an inquiry was demanded.

**Mr. GABB**.—It is useless to demand an inquiry.

**Mr. PARKER MOLONEY**.—If what the honorable member for Illawarra (Mr. Hector Lamond) says is true, there can be no objection to the appointment of a Select Committee. When this subject was originally before the House, the Prime Minister (Mr. Hughes) said he had no objection to the proposition. Today I expect to hear a favorable reply from the Government. I have received letters concerning men who were interned, who are prepared to make statutory declarations in regard to their innocence, and who claim an inquiry. If names are wanted, I will furnish them. I have one case, particularly, in mind. It is that of an Australian-born citizen of the second generation who was a district councillor. While occupying that position, he promulgated the most comprehensive scheme for the repatriation of soldiers that has yet come under my notice. During the war, he went on the public platform and advocated enlistment. He and his family have subscribed to the war loans in generous fashion. However, there are always some people who bear enmity against their neighbours. The Prime Minister has stated that among the internees were some who found themselves there because of information supplied by the Secret Service. In the district to which I am referring, the Secret Service was represented by men who bore personal enmity against this Australian-born councillor. His accusers were animated by motives of personal spleen. They made false statements, and their victim was interned as a result. That is his firm belief to-day. The Prime Minister himself has said it is possible that mistakes were made.

**Mr. ROBERT COOK**.—It is a good thing it was possible.

Mr. PARKER MOLONEY.—To make mistakes?

Mr. ROBERT COOK.—Possible to intern these men.

Mr. PARKER MOLONEY.—Rightly or wrongly?

Mr. ROBERT COOK.—Does the Government always do things wrongly?

Mr. PARKER MOLONEY.—Perhaps there are cases in which men were rightly interned, but what has that to do with the cases of those who were wrongly interned? Surely the latter have the right of trial. It is one of our boasted ideals that every man shall be deemed innocent until he has been proved guilty. Here was one who had been openly loyal. Upon his internment he asked for an inquiry. Through his solicitors, the matter came before the Minister for Defence (Senator Pearce), but the reply of the Department was that the internee would not be given an opportunity to prove that the case against him was based on false evidence; that he would not be given a chance to disprove those statements on which he was interned; but that he would be given an opportunity to furnish evidence of any acts of loyalty which he might have performed. Is that a fair thing?

Mr. HECTOR LAMOND.—I do not think that is the whole case.

Mr. PARKER MOLONEY.—I will give the whole case. He was not allowed to tender any evidence to refute the charges upon which he had been interned. Those charges were never made known to him. Even to-day he does not know what they are. He saw that the only thing open to him was to furnish evidence of his acts of loyalty; so he provided it. His scheme of repatriation was placed before the authorities. It was shown, on his behalf, that he had taken part in recruiting campaigns, and it was proved that he and his family had subscribed liberally to war loans. All this, however, was of no use. The one thing for which he had asked was that the charges levelled against him might be made known; but he was informed that no inquiry would be granted, and that no statement concerning charges would be made. That is the whole case.

Mr. HECTOR LAMOND.—No; there is another chapter.

Mr. PARKER MOLONEY.—Then the honorable member will have an op-

portunity to make known that other chapter. An inquiry was refused. At some later period a number of returned men from his district presented themselves to me, and asked me to introduce them as a deputation to the Prime Minister (Mr. Hughes) in order that they might elicit the nature of the charges made against their interned neighbour. We waited upon the Prime Minister, and the returned soldiers made reference to the internee's loyal services. At the conclusion of the deputation, I said to Mr. Hughes, "Do I understand that this man must go down to the grave without ever knowing what charge was made against him?" The Prime Minister replied, "That is so." Comparatively recently this man presented himself as a candidate for election to the local shire council, but he found himself the victim of the stigma which is now and always hanging over his head. Yet the honorable member for Moreton says, "Let the stigma remain."

Mr. WIENHOLT.—I did not say, "Let the stigma remain."

Mr. PARKER MOLONEY.—What the honorable member said was, "Let the matter rest."

Mr. WIENHOLT.—Hear, hear!

Mr. PARKER MOLONEY.—This ex-internee is now adjudged unworthy to represent his fellow countrymen upon a shire council. He is boycotted.

Mr. HECTOR LAMOND.—By the people on the spot, where all the facts are known.

Mr. PARKER MOLONEY.—It is all due to the stigma, which, he asserts, is absolutely unfounded, but which, apparently, he may never remove. The honorable member for Illawarra (Mr. Lamond), I feel sure, will not say in his calm moments that if this man and others of his neighbours are innocent they should never be given an opportunity to prove it. Whether it were popular or not I shall always be found taking exactly the same stand as I do to-day. But, so far from being unpopular, it ought to be the reverse. Surely it ought to be a privilege for every member to take his stand on the side of justice and fair play in a country that prides itself upon its liberty-loving principles. The honorable member for Illawarra has urged that no cases have been cited. I will

now quote the case of another man who was interned, and therefore was interested in the deputation to the Prime Minister. This man had a son at the Front. He volunteered this information, or it was supplied on his behalf at the time of his arrest, but owing, no doubt to the underhand methods employed, and because of personal animus of members of the secret service, amongst whom the man lived, it was some considerable time before he could get this simple statement of fact through to the Defence Department. He now has in his possession a letter from the Minister for Defence (Senator Pearce), to show that when it became known to the Defence authorities that he had a son at the Front, he was released, and admitting that if it had been known at the time he would not have been interned.

**Mr. BRENNAN.**—That is the first instance I have heard of the Defence Department listening to reason.

**Mr. PARKER MOLONEY.**—Unfortunately, it took a long time for that simple statement to reach the authorities; whereas, if everything had been above board it should have been known next day.

**Mr. HECTOR LAMOND.**—It was largely his own fault at the beginning that it was not known.

**Mr. PARKER MOLONEY.**—The honorable member is wrong, because the statement was made at the time of his arrest. The honorable member for Grampians (Mr. Jowett) might be quite right in affirming that some people deserved to be interned, but I am not dealing with that aspect of the matter at all. I say that if for good reasons 1,000 were interned, surely there could be no objection to an effort being made to secure justice for a tenth of that number if they believed they had been interned wrongly. Quite a number of these people declare that they know of no reason for their internment, and, naturally, they feel the stigma that attaches to them. They are suffering in business and public life because of it, and they believe that if they had an opportunity of submitting their cases before a proper tribunal they would be able to prove their innocence. I regret to think that even one member of this House would say that such men are not entitled to a chance to answer such a charge. I do

not want to labour the question, and so I will conclude by saying that I believe many of them are suffering an injustice, and that they were interned because of false reports furnished to the authorities by other residents animated by personal bias. I have ample evidence to prove this statement right up to the hilt, and it is the duty of this House, and particularly of every honorable member who saw active service at the Front, in what he regarded as the fight for liberty and fair play, to see that fellow citizens—because many of these interned men are Australian-born citizens—get that British fair play for which they fought.

**Mr. BELL** (Darwin) [5.55].—Very few words will suffice to put my view of the question. The honorable member who submitted the motion made an appeal for justice on behalf of Australian-born citizens who were interned during the war period, and he made a special appeal, as did the honorable member who has just resumed his seat, to those who have served overseas. The honorable member for Angas (Mr. Gabb) made some veiled accusations of ill-treatment of internees, but when I asked him, by way of interjection, to cite a case, he said he would defer doing so to a later date, giving as his reason his belief that some of these people were afraid to come forward and tell what they knew.

**Mr. PARKER MOLONEY.**—You will admit that my cases are pretty genuine.

**Mr. BELL.**—If there were any evidence of ill-treatment of Australian-born citizens of German parentage, or even of German birth, during the war period, no appeal to honorable members for the appointment of a Select Committee would be made in vain.

**Mr. NICHOLLS.**—We will give you plenty of evidence.

**Mr. BELL.**—The mover of the motion alleged ill-treatment, but presented no evidence of it, so the whole matter simply resolves itself into a complaint that some people were interned on suspicion, and that, therefore, a Select Committee should be appointed to inquire into their loyalty or disloyalty. I take the view, however, that it is very hard, at this stage, to prove any man's loyalty. There was a time when it was easy enough to do

that. There was ample opportunity during the war for every man to show where he stood. The question now is—Were the Government of the day justified in interning Australian-born citizens of German parentage on suspicion?

Mr. CONSIDINE.—Certainly not.

Mr. BELL.—I say they were justified.

Mr. CONSIDINE.—Not on suspicion.

Mr. BELL.—The British, as a race, have always been inclined to be trustful rather than suspicious; but during the recent war there was plenty of evidence to prove that the Government were perfectly justified in interning any one upon reasonable grounds for suspicion.

Mr. CONSIDINE.—You are qualifying your statement now.

Mr. BELL.—It was a reasonable precaution to take.

Mr. CONSIDINE.—Surely the honorable member can distinguish between "reasonable" ground for suspicion and mere suspicion.

Mr. BELL.—Exactly. And most people believe that the Government, when interning these people, had reasonable ground for suspicion.

Mr. PARKER MOLONEY.—If one of those men came to you and said he believed he had been wrongfully interned, would you give him a chance to prove his case?

Mr. BELL.—Yes. He has a chance now. While the mover of the motion was speaking, I made an interjection that I would not have minded had I been charged with disloyalty. There was no possible chance of that. Likewise, many young men of German parentage had no fear of the charge during the war; but I know that many people of German parentage, whose sons were at the Front, were openly disloyal, and avowed that they would never recognise their sons again. In the face of all this, it is a peculiar argument that the presence of a son at the Front should have been regarded as the test of a man's loyalty.

Mr. CONSIDINE.—Almost as peculiar as the argument that a certain gentleman in Victoria, with a D.S.O. decoration, should now be charged with disloyalty.

Mr. BELL.—Exactly. A man might have the D.S.O. and still be distinctly disloyal.

Mr. CONSIDINE.—Then, your going to the Front was no proof of your loyalty.

Mr. BELL.—I had no need to go to the Front to prove my loyalty. Some people would need to go to the Front many times, and still they would be under suspicion. It is, as I have said, difficult now for men who were interned to prove their loyalty, so there is very good reason to believe that the motion has been introduced for the purpose of getting another little stab at the Prime Minister and the Cabinet. Therefore, the House would not be justified in supporting it, especially as the honorable member who submitted it intimated that, at some future date, he is going to bring forward another motion, and cite cases of gross ill-treatment.

Mr. PARKER MOLONEY.—If this motion is not carried.

Mr. BELL.—We might very well defer the appointment of a Select Committee until such time as we get some definite charges. If, by any chance, the occupants of the Opposition benches had been in power during the war, I doubt very much if they would now appoint a Select Committee upon the evidence submitted to the House. I would have been very much surprised also if, during the war, they had not taken some action, such as they now condemn, to intern people of German parentage on suspicion of disloyalty.

Mr. LAZZARINI (Werriwa) [6.5].—I support the motion for a Select Committee to inquire into the whole of the conditions of the internment camps from the commencement of the war. I do so because, in my opinion, the camps were very often used in order to get rid of people who were undesirable in the eyes of the powers that be. There has possibly been quite enough said about internees of German origin—of both the first and second generation—and I rise in order to say a word on behalf of an Australian born of Scottish parents, who, in spite of his nationality, was put into an internment camp. I refer to J. M. Scott, a gentleman who wrote a book entitled *The Circulating Sovereign*. He was born, as I say, of Scottish parents in New South Wales, and was detained in an internment camp for a period which may have ranged up to one year and eight months; and to this day he does not know why. I desire the appointment of a Select Committee in

order that this case may be inquired into. This man was resident, I understand, in a little town in South Australia, where he was grabbed by the military police, whirled away in a motor car, and put into a concentration camp, and none of his friends knew where he was. If this were the only case of the kind during the whole period of the war—the only case of a man being spirited away—it is sufficient to justify an exhaustive inquiry. Otherwise, which of us is safe, in view of the policy followed by the Nationalist and capitalistic Governments throughout the world, to whom the war was due? It is possible that we may have another war shortly, and we must look to the future, so as to know where we stand. Honorable members may not be acquainted with this particular case, but I had the facts from the man concerned; and, under all the circumstances, no Government dare refuse an inquiry. This man, Scott, is an intensely loyal man; but in the work I have mentioned he advocated a principle inimical to the interests of the banking and other great financial institutions of the country. He is gifted with a brain for finance excelled, perhaps, by very few men in Australia, and he put forth a system of financial administration by which the Commonwealth could have met the cost of war-like operations without taxing the people to the extent of 1d.

Mr. JOWETT.—Do you suggest that that was the reason he was interned?

Mr. LAZZARINI.—I do suggest that, and I shall continue to believe it to be the fact until a Select Committee proves the contrary. Further, though I cannot prove the statement, it is my opinion he was put there in order to be silenced, as he was, for a period of something like one year and eight months. When the war was over, and the conditions altered, he was given his freedom, being considered no longer dangerous. The honorable member for Moreton (Mr. Wienholt) says that enemy subjects, and other suspected persons, were treated much better in the camps in Australia than others in similar positions were treated in the camps in other countries. That is quite possible.

Mr. WIENHOLT.—I spoke of prison camps.

Mr. LAZZARINI.—But this man, although intensely loyal, was sent into camp.

While there, in the course of argument with some German internees, one of the latter asked him if he believed all he read in the newspapers about the German atrocities. He replied in the affirmative, and then the Germans said to him, "There is one thing that the Germans have not done; they have never interned a German subject along with enemy subjects." That, Scott informed me, squashed him—he was beaten. This man, at any rate, is a British subject, and if he made disloyal statements, he was entitled to a trial; but, failing a trial, an inquiry such as that now proposed would satisfy me. A large number of people in the country no doubt believe that this man had done something to justify this detention; but I say that he was deliberately put into camp in order to silence him, because the principles he was preaching were right up against the principles of financial and banking institutions in all the nations of the world during the war. These institutions have their grip on the economic arrangements and conditions in all countries, and are possessed of great power; but I repeat that this man was out on an intensely patriotic mission, trying to prove that financial arrangements could be made to meet the cost of the war without taxation—that we could, as the British have done in the past, conduct the war without adding a penny to the national debt, and thus save the £25,000,000 or £30,000,000 of taxation necessary to meet our interest bill. I am not satisfied that Mr. Scott's is the only case of the kind, and I only know of his case because I happened to be acquainted with him, and, brushing up against him, was given the facts. For all I know, there may be hundreds of similar cases. It is, to say the least, disquieting to think that, when passions are roused, as they were during the war, some interests have to be safeguarded, even if it means sacrificing the liberty of British subjects; and if any honorable member says that this case is not one for inquiry, he is ignorant of the elementary laws of justice.

Mr. CONSIDINE (Barrier) [6.15].—In supporting the motion I wish to say that very few of the details are within my own knowledge. I have noticed, however, that in *Stead's Review* certain articles were

allowed to appear from time to time without any representations from the Government or the authorities concerned. One statement in particular was that it was only on representations made by the Swiss Consul or the American Consul that alterations were made in the treatment of prisoners in the internment camps. I know no more than do other honorable members who have spoken of what were the conditions which prevailed in the camps; but it is within our knowledge that in the press of Australia, especially the Sydney press, statements were made concerning the use of machine-guns at Holdsworthy Camp. In reference to that matter no report has ever been asked for in this Parliament. I have in my possession a statement signed by, I think, a captain in the German Navy who was interned at Holdsworthy. We know that according to international arrangements officers of certain rank, when prisoners of war, are not to be asked to do certain kinds of menial work; but because this man refused to obey some orders he was ill-treated. I do not know whether his statement is true; but, according to him, he was blindfolded and taken by a firing party near to a grave which had been dug. He was told that he was to be shot, and placed with his back against the tree. He still refused to do what was required of him, and the rifles were clicked. Then the bandage was taken from his eyes, and the officer in charge of the squad saying, "You are a brave man," shook hands with him.

Sir GRANVILLE RYRIE.—Is this a dream?

Mr. CONSIDINE.—That is the statement signed by this person and sent to me.

Sir GRANVILLE RYRIE.—Where was this?

Mr. CONSIDINE.—It is alleged to have taken place at Holdsworthy Camp.

Sir GRANVILLE RYRIE.—If you believe a fairy tale like that you will believe anything; but I do not believe that you believe it.

Mr. CONSIDINE.—The Minister does not believe that I believe the statement; but such allegations have been allowed to go unchallenged, thus showing that they have a substratum of fact. It is up to the Government to say whether these statements are true.

Mr. JOWETT.—The Assistant Minister for Defence says that they are not.

Mr. CONSIDINE.—He has not even seen the document to which I refer. The Government were quick enough to use the powers conferred upon them by the War Precautions Act to suppress *Stead's War Facts*. They acted in the same way in regard to other publications. Only in to-night's *Herald* I read that they are so much perturbed about the importation of German hymn-books and bibles into Australia that they have imposed a prohibition upon them.

Mr. MARR.—That has nothing to do with the management of our internment camps.

Mr. CONSIDINE.—It shows the feeling that is behind this business.

Mr. JOWETT.—Has the honorable member read what is published in to-night's *Herald* about the Bolsheviks?

Mr. CONSIDINE.—The honorable member will get more about the Bolsheviks than he wishes to hear. By proclamation in the *Commonwealth Gazette*, the Minister for Trade and Customs (Mr. Greene) has prohibited the admission to the Commonwealth of bibles, prayer-books, and hymn-books printed in the German language and intended for use in the Lutheran Church unless his consent to their importation has been previously obtained. Yet no honorable member will affirm that the safety of Australia would be in any way endangered by the importation of the "good old book" printed in German. The action of the Minister, however, would lead us to believe that if elderly people are allowed to sing Lutheran hymns, or to offer prayers in German, the foundations of the Empire will be sapped. All this only goes to show the spirit of intolerance which possesses the Government. Those who are so fond of telling us about the fights for religious freedom, and who put Luther upon a pedestal as a pioneer in that connexion, are to-day preventing Luther's countrymen from reading his sentiments in Luther's language. The idea is absurd and preposterous. When the Government indulge in such childish antics, instead of acting in the interests of the Australian people, they are really doing something of which the inmates of a kindergarten would be ashamed.

Mr. MARR.—Was Luther an Irishman?

Mr. CONSIDINE.—Enough has already been said to show the necessity for an inquiry into the conduct of our internment camps. I come now to the treat-

ment of internees and to the need which exists for investigating the circumstances connected with the internment of certain persons. While I was in Sydney some time ago the wife of the gentleman whose case has been mentioned by the honorable member for Werriwa (Mr. Lazzarini) called upon me concerning the internment of her husband. She assured me that the whole of their family were intensely loyal, and at no period had there been the slightest suspicion cast upon their loyalty. Yet her husband had been interned apparently for the heinous offence of advocating a different financial policy from that propounded by the then Treasurer of the Commonwealth.

**Sir GRANVILLE RYRIE.**—Was that during the régime of the present Government or of a Labour Government?

**Mr. CONSIDINE.**—It was during the period that Mr. Watt filled the office of Treasurer.

**Sir GRANVILLE RYRIE.**—I suppose the honorable member realizes that twice as many Australian-born Germans were interned by the Labour Government as were interned by the present Government?

**Mr. TUDOR.**—That statement is not correct.

**Sir GRANVILLE RYRIE.**—Forty out of fifty internees were interned by the Labour Government.

**Mr. TUDOR.**—During the whole of the time that I occupied the position of a Minister in the Labour Government, only four or five persons were interned, and if Senator Pearce has made any statement to the effect indicated by the Assistant Minister for Defence (Sir Granville Ryrie), he has stated what is absolutely false.

**Mr. CONSIDINE.**—It is immaterial to me whether these persons were interned by a Labour Government or by a Government composed of ex-Labour men and ex-Liberals, or even of members of the Country party. The question which has to be decided is, “Are the Government prepared to have this matter inquired into with a view to righting any wrong which may have been done?” The Assistant Minister for Defence (Sir Granville Ryrie) cannot shirk the responsibility of the Government by saying, “Please, sir, we did not do these things; they were done by somebody else.” Ministers are now in a position to right the wrong which has been done to certain individuals. Not only were Germans, who

were the enemies of the Empire, treated in the way that has been described, but the Government acted in just as arbitrary a fashion towards their allied Italian subjects. At the dictation of the Italian Consul, they seized men whilst they were at their work in the mines at Broken Hill, and sent them by rail to the nearest port, without even firs allowing them to see their wives and families.

**Sir GRANVILLE RYRIE.**—That was done with the approval of the Italian Consul.

**Mr. CONSIDINE.**—Not with the approval of the Italian Consul, but at his dictation. I ask leave to continue my speech on a future occasion.

Leave granted; débâte adjourned.

*Sitting suspended from 6.30 to 8 p.m.*

#### NAVIGATION BILL.

*In Committee (Resumed from 7th July, vide page 2598):*

Clause 13—

Section thirty-nine of the principal Act is amended—

(b) by omitting sub-section 3, and inserting in its stead the following sub-sections:—

“5. No seaman shall be rated as ‘shipwright’ or ‘ship’s carpenter’ who has not served an apprenticeship as shipwright, or three years at sea as ship’s carpenter, as the case may be.

“7. Notwithstanding anything contained in this section, persons rated as greasers, firemen, shipwrights, or ship’s carpenters, before the commencement of this Division, shall continue to be entitled to be so rated.”

*Section proposed to be amended—*

3. A superintendent before whom a seaman is engaged shall refuse to enter a seaman as A.B., O.S., greaser, or fireman, in the agreement, unless the seaman gives to him satisfactory proof of his title to be so rated.

**Mr. TUDOR (Yarra) [8.2].**—I move—

That in proposed sub-section 7 the words “shipwrights or ship’s carpenter” be left out. Last night I asked what action the Minister for Trade and Customs (Mr. Greene) intended to take in regard to this proposed sub-section which provides that persons rated as greasers, firemen, shipwrights, or ship’s carpenters before the commencement of the Act shall continue to be entitled to be so rated. Provision is made in proposed sub-section 5 that no seamen shall be rated as a shipwright or ship’s carpenter who has not served an

apprenticeship as shipwright, or three years at sea as ship's carpenter, as the case may be. It is very important from the point of view of the safety of a ship that shipwrights and ship's carpenters shall be men of experience, but under proposed sub-section 7 a man will be entitled to be rated as a shipwright or ship's carpenter if he has served only five minutes in such a capacity before this Division of the Act comes into operation. No seaman is to be rated as a greaser, who has not served six months as fireman at sea; no seaman can be rated as fireman who has not served six months as a trimmer or fireman at sea, and after the expiration of twelve months from the commencement of this Division of the Act no seamen is to be permitted to engage in any capacity unless he can satisfy a superintendent that he can pull an oar and handle a boat. But by proposed sub-section 7 any person rated as a greaser, fireman, shipwright, or ship's carpenter, before the coming into operation of this Division of the Act is to be entitled to be so rated. I realize the necessity for the provision in its relation to greasers and firemen—they must make a start sometime—but the position of a shipwright or ship's carpenter is too important to entitle those who may have been engaged in the occupation for a limited period only to be rated as shipwright or ship's carpenters when the Act begins to operate.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [8.5].—I have gone very carefully into the question raised by the Leader of the Opposition (Mr. Tudor) last night, and find that the objection raised by shipwrights to the inclusion of ships' carpenters arose originally out of the dispute between two unions, both of which have members going to sea, and that the amendment suggested by the Leader of the Opposition would prevent a large number of seafaring men who have followed their occupation all their lives, and are now serving on the coast of Australia, from continuing to follow the same calling. The amendment to section 39 of the principal Act, as set out in this clause, is really consequential on an amendment to schedule 2 of the Act, which was authorized by the Leader of the Opposition when he was in charge of the Navi-

gation Bill introduced by the Fisher Government and was effected in the Senate. There was quite a long fight on the question of whether ships' carpenters should be included or not. Eventually they were included. If the amendment of section 39 of the principal Act is not made as set out in this clause, these carpenters will be prevented from following their occupation. My advisers have gone into the matter carefully. Captain Davis, who has had a life-long experience, tells me that the amendment of the Leader of the Opposition, if agreed to, would prevent ships' carpenters who have been engaged in their occupation for the whole of their working lives from following their calling in future.

**Mr. MATHEWS** (Melbourne Ports) [8.9].—If there should be any delay in the proclamation of this measure when it is passed, any person who becomes a ship's carpenter in the meantime will be entitled to be rated as a ship's carpenter, although he may not fulfil the requirements of the proposed sub-section 5, which demands that before he may receive his certificate he must have served for three years at sea in the capacity of ship's carpenter. In other words, the Bill provides a certain qualification, and at once proceeds to take it away. In the following clause we give power to a superintendent, before whom a seaman is engaged, to refuse to enter him as A.B., O.S., greaser, fireman, shipwright, or ship's carpenter unless he can give satisfactory proof of his title to be so rated. The giving of such full powers to a superintendent is a further entrenchment on the rights of seamen. A superintendent might have peculiar views; he might allow a person who has only had five minutes' experience before the coming into operation of the Act to be rated as a shipwright or ship's carpenter. The seamen have their rights.

**Mr. GREENE**.—And we are endeavouring to protect them.

**Mr. MATHEWS**.—It is no protection to the seamen to allow a person with five minutes' experience in the calling before the proclamation of the Act to be rated as a ship's carpenter.

**Mr. GREENE**.—No person could get a job as a ship's carpenter unless he could show that he had the necessary experience. We are dealing with the past, and not with the future.

**Mr. MATHEWS.**—We are dealing with the period between the passing of the Bill and the coming into operation of this Division of the Act. A superintendent is to be placed in the position of saying whether a man is qualified or not. The Minister should not accept the *ipse dixit* of Captain Davis.

**Mr. GREENE.**—The Minister is obliged to accept the best advice he can get as to what will be the effect of any portion of the Bill.

**Mr. MATHEWS.**—We have the benefit of the advice of men who are deeply concerned in the matter. They say that the proposed sub-section 7 will render it possible for ship-owners, while conforming to the Act, to get out of the payment of certain wages by the employment of men who may be a danger to the lives of others. The seamen contend that ship-owners ought to be compelled to employ only qualified men.

**Mr. CHARLTON** (Hunter) [8.14].—I view the provision in a different light. The purpose of proposed sub-section 7 is to protect men already engaged in the particular callings mentioned. It is necessary that this should be done, otherwise hundreds would be thrown out of employment. The sub-section merely follows the practice adopted in connexion with all Federal and State legislation of this nature.

**Mr. MATHEWS** (Melbourne Ports) [8.16].—The seamen hold a totally different view. They consider that they will be placed at a distinct disadvantage. It really resolves itself into a question of whether men working on a ship shall be considered or not, and they are emphatic on the matter.

**Mr. GREENE.**—I am sure the carpenters are not.

**Mr. MATHEWS.**—The men's representatives are anxious that the carpenters and shipwrights shall be placed in the same position.

Question—That the words proposed to be left out stand as printed—put. The Committee divided.

Ayes .. .. ..	30
Noes .. .. ..	9

Majority .. .. ..	21
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**AYES.**

Atkinson, L.	Hill, W. C.
Bayley, J. G.	Jackson, D. S.
Bell, G. J.	Jowett, E.
Cameron, D. C.	Lister, J. H.
Charlton, M.	Livingston, J.
Cook, Sir Joseph	Mackay, G. H.
Cook, Robert	Page, Dr. Earle
Corser, E. B. C.	Prowse, J. H.
Foster, Richard	Rodgers, A. S.
Fowler, J. M.	Smith, Laird
Francis, F. H.	Wienholt, A.
Gibson, W. G.	Wise, G. H.

*Tellers:*  
Burchell, R. J.  
Story, W. H.

**NOES.**

Considine, M. P.	Ryan, T. J.
Cunningham, L. L.	Tudor, F. G.
Gabb, J. M.	<i>Tellers:</i>
Lazzarini, H. P.	Biennan, F.
Mathews, J.	Mahony, W. G.

**PAIRS.**

Watt, W. A.	Anstey, F.
Maxwell, G. A.	Catts, J. H.
Fleming, W. M.	Fenton, J. E.
Hughes, W. M.	Mahon, H.
Bamford, F. W.	Blakeley, A.
Chapman, Austin.	Nicholls, S. R.
Ryrie, Sir Granville	Watkins, D.
Lamond, Hector	Moloney, Parker.
Best, Sir Robert	Makin, N. J. O.
Poynton, A.	Page, James.
Bowden, E. K.	McDonald, C.
Marks, W. M.	West, J. E.
Blundell, R. P.	Lavelle, T. J.
Marr, C. W. C.	Riley, E.
Bruce, S. M.	Maloney, Dr.

Question so resolved in the affirmative.  
Amendment negatived.

Clause agreed to.

Clause 14—

After section thirty-nine of the principal Act the following section is inserted:—

“40. A superintendent before whom a seaman is engaged shall refuse to enter him as A.B., O.S., greaser, fireman, shipwright, or ship's carpenter in the agreement, unless the seaman gives satisfactory proof of his title to be so rated.”

**Mr. TUDOR** (Yarra) [8.21].—I move—

That the following words be added to the clause:—“A shipwright or ship's carpenter shall have a certificate of competency.”

As these men are supposed to be competent, the Minister (Mr. Greene) cannot object to an amendment providing that they shall have a certificate of competency which could be issued by the Director of Superintendent of Navigation. When the men are engaged they should prove their competency, so that men who do not know their trade may not be engaged. When they are discharged they should be given a certificate in accordance with another provision

in the measure. Shipwrights and ships' carpenters should be supplied with a certificate of competency to show that they are capable of performing the work, and surely the Government will not object to that. Shipwrights and ships' carpenters are experts, because there are no others on board capable of performing the work they are called upon to do. It must be remembered also that seamen are supplied with a certificate of competency.

**Mr. MAHONY** (Dalley) [8.26].—I trust the Minister for Trade and Customs (Mr. Greene) will agree to the insertion of this necessary and important amendment, as shipwrights and ships' carpenters are very important members of a vessel's crew, particularly in the event of an accident. Should a vessel be damaged in a collision at sea, it is very necessary that a competent shipwright or ship's carpenter should be available, otherwise the lives of all those on board would be endangered.

**Mr. GREENE.**—By whom would the certificates be issued?

**Mr. MAHONY.**—By the Department. Highly-skilled shipwrights employed ashore have to possess a certificate of competency, which can only be obtained after serving a period of apprenticeship. The Minister for Trade and Customs will surely see that we are not asking too much, and I trust that he will agree to the amendment, as such a protection may be the means of not only safeguarding ship-owners' property, but of saving valuable lives.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [8.30].—Sub-clause 5 of clause 13, to which the Committee has agreed, provides that no seaman shall be rated as a shipwright who has not served an apprenticeship as shipwright or as a ship's carpenter unless he has served for three years at sea as a ship's carpenter. The Committee has also decided that those who to-day are serving as shipwrights or ships' carpenters shall be entitled to continue to be rated as such. The law under which men are now entitled to those ratings, though it may not be as stringent as the provisions of the Bill, requires the possession of certain qualifications, and I do not think we should put it in the power of any one to take from such men the right to continue at their present avocations, which is what the Leader of the Opposition (Mr. Tudor) proposes to do.

**Mr. MAHONY.**—Do you insinuate that these men are not competent?

**Mr. GREENE.**—No; it is the Leader of the Opposition who does that.

**Mr. MAHONY.**—If they are competent, why are you afraid of giving them certificates?

**Mr. GREENE.**—The Committee has decided that those who to-day are rated as shipwrights or ships' carpenters shall be entitled to the ratings which they now hold, and I cannot see that anything would be gained by adopting the suggestion of the Leader of the Opposition and putting it in the power of a superintendent to prevent any of them from continuing to follow his occupation. To do that would be unjust.

Question.—That the words proposed to be added be so added (Mr. Tudor's amendment) — put. The Committee divided.

Ayes . . . . .	15
Noes . . . . .	33

Majority . . . . .	18
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AYES.

Blakeley, A.	Nicholls, S. R.
Brennan, F.	Riley, E.
Considine, M. P.	Ryan, T. J.
Cunningham, L. L.	Tudor, F. G.
Gabb, J. M.	West, J. E.
Lamond, Hector	Tellers:
Lazzarini, H. P.	Mahony, W. G.
Moloney, Parker	Mathews, J.

NOES.

Atkinson, L.	Jackson, D. S.
Bayley, J. G.	Jowett, E.
Bell, G. J.	Lister, J. H.
Cameron, D. C.	Livingston, J.
Chapman, Austin	Mackay, G. H.
Cook, Sir Joseph	Marks, W. M.
Cook, Robert	Marr, C. W. C.
Corser, E. B. C.	Page, Dr. Earle
Foster, Richard	Prowse, J. H.
Fowler, J. M.	Rodgers, A. S.
Francis, F. H.	Ryrie, Sir Granville
Gibson, W. G.	Smith, Laird
Greene, W. M.	Wienholt, A.
Gregory, H.	Wise, G. H.
Groom, L. E.	Tellers:
Higgs, W. G.	Burchell, R. J.
Hill, W. C.	Story, W. H.

PAIRS.

Anstey, F.	Watt, W. A.
Makin, N. J. O.	Best, Sir Robert
Catts, J. H.	Maxwell, G. A.
Page, James	Davnton, A.
Fenton, J. E.	Fleming, W. M.
McDonald, C.	Bowden, E. K.
Mahon, H.	Hughes, W. M.
Lavelle, T. J.	Bamford, F. W.
Moloney, Dr.	Blundell, R. P.
Watkins, D.	Bruce, S. M.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 15—

Section forty of the principal Act is renumbered as section forty-one of that Act and is amended by omitting from paragraph (a) of sub-section (1) the words, “or certificate showing his right to be rated in the capacity in which he desires to be shipped;” and inserting in their stead the words “from his last ship;”.

*Section proposed to be amended—*

*No seaman shall be permitted to engage in any capacity unless he delivers to the superintendent . . .*

*(a) a discharge or certificate showing his right to be rated in the capacity in which he desires to be shipped . . .*

**Mr. TUDOR** (Yarra) [8.41].—Ministers and their supporters have voted to allow any one to continue as a shipwright, or as a ship's carpenter, so long as, prior to the proclamation of the Act, he has served on board a vessel, if only for five minutes.

**Mr. GREENE**.—Men cannot serve in those ratings who have been only five minutes on a vessel.

**Mr. TUDOR**.—Sub-section 7 of section 39, as we have amended it by clause 13, says that—

Notwithstanding anything contained in this section, persons rated as greasers, firemen, shipwrights, or ships' carpenters, before the commencement of this Division, shall continue to be entitled to be so rated.

In many cases that may be quite proper, but we ask that certificates of competency shall be granted to those who are capable of doing the work. We have decided that captains, officers, and engineers must pass examinations to prove their competency, but, by the vote just given, the Committee has determined that anybody may be considered good enough to fill the position of shipwright or ship's carpenter. My concern is to secure efficiency on the part of all who serve in those ratings. But members opposite have determined that any man who is now on a ship in such a rating may continue in that rating. I am sure, however, that members would not like to risk their lives on ships on which unskilled men were employed. The provision under which a discharge or certificate showing the right to be rated in the capacity in which the man desires to be shipped is to be struck out. Of course, there are penalties for the use of a discharge by a person to whom it does not belong; but we know that many dis-

charges are used by men to whom they do not belong. We weaken the law by enacting that all that a seaman need produce is a discharge from his last ship. In another clause we provide that men must do certain work elsewhere before they can be rated as firemen or greasers.

**Mr. GREGORY**.—You know this is the usual practice. We must protect the men already engaged.

**Mr. TUDOR**.—That is done, but not by this clause. All the Minister is doing by this clause is to provide that if a man is discharged it need not be shown on that discharge that he is competent. If the clause is carried, there will not be one word in section 40 of the Act as to the competency or ability of the man to perform the duty. The section as it now stands is very much better. It is absolutely hopeless to propose an amendment to provide that the man shall be competent. Even if I moved to re-insert the words standing in the old Act as passed by this Parliament, I would be defeated. The Minister has only to say that he intends to pass the clause as it stands, and the majority will support him, whether it means allowing incompetent men to do the work or not. In order to test the feeling of the Committee, I move—

That the words “or certificate showing his right to be rated in the capacity in which he desires to be shipped,” be left out.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [8.47.]—I am sorry the Leader of the Opposition spoke so warmly on the subject, and am certain that when he hears the explanation I have to offer he will recognise that the alteration proposed by the Bill will not have the effect he anticipates. Instead of leading to incompetent men being engaged, the object is to insure the competency of the men. What the principal Act provided was that the man had to present a discharge or certificate. This meant that if he had the certificate he need not have a discharge. It is most desirable that in all cases where a seaman applies for engagement he should present his discharge from his last ship. The intention of the clause is to make it perfectly clear that in every case he must present his discharge from his last ship at the time he seeks engagement. The other amendments of the Act which have already been agreed to by this Committee secure everything that is required in regard to

the competency of those who are shipped. All that is being done by this clause is to make perfectly clear what was really intended when the Act was passed.

**Mr. MATHEWS** (Melbourne Ports) [8.50].—A man may present a discharge as a carpenter, shipwright, or even an A.B., when as a fact he has not actually served in the capacity mentioned. If an owner thinks fit, he may give a steward a discharge showing that he had been an able seaman. Under this clause, that steward would not need to present a certificate to show what he really was.

**Mr. GREENE**.—In any case, the seaman who was rated in that way would not have a certificate.

**Mr. MATHEWS**.—The seamen have exactly the same objection, so far as the discharge is concerned. Unless a man has to show some proof of competency, owners can take on any man they like. The Minister knows that there is trafficking in discharges and certificates, and that there is nothing to stop it.

**Mr. GREENE**.—The superintendent has to satisfy himself that the man is entitled to be rated in the rating which he is claiming.

**Mr. MATHEWS**.—It is evident that the Minister has determined that all these clauses, which run together, shall be passed as they stand. It is therefore not of much use to object to them.

Amendment negatived.

Clause agreed to.

Clauses 16 and 17 agreed to.

Clause 18 (Wages payable for handling cargo or ballast).

**Mr. TUDOR** (Yarra) [8.54].—I am heartily in accord with this clause, because it gives to seamen engaged on a ship the right to the same rate of wages as is paid to shore labour for this class of work. In times past, when trouble has occurred ashore, ship-owners have compelled the seamen to work ashore at a lower rate of wage than the shore workers were obtaining under an Arbitration Court award. This clause will, I believe, save trouble. In times of trouble, owners sometimes get so-called loyalists and others who are not fully qualified to do the work, but, if they have to pay those men the same rate as skilled workmen, they will not have very much to do with

the loyalists. I am not sure that the penalty of £100 is high enough.

**Mr. RILEY**.—Make it £100 per day.

**Mr. TUDOR**.—We may be sure that, if there is an Act safeguarding them, the seamen will take good care to get the money. Proposed new sub-section 1B provides that, if a sufficiency of shore labour cannot be obtained at such rates of wages, it shall, for the purposes of this provision, be deemed to be not available, and in that case the crew may be employed to the extent of the insufficiency. Still, the crew must have their wages made up for the time they are doing the work.

**Mr. GABB**.—It does not say so.

**Mr. TUDOR**.—That is provided for by sub-section 1A. As the clause safeguards the right of the workers to receive a fair wage, I heartily agree with the Minister in introducing it.

Clause agreed to.

Clauses 19, 20, and 21 agreed to.

Clause 22—

Section 85 of the principal Act is amended by omitting sub-section 1 thereof and inserting in its stead the following sub-section:

“(1) Where the service of a seaman belonging to a ship registered in Australia terminates before the period contemplated in his agreement, by reason of the wreck or loss of the ship, he shall be entitled—

(a) to conveyance, by or at the cost of the owner, to the port of engagement, or, at the master's option, to the port of discharge mentioned in the agreement, or to such other port as is mutually agreed upon, with the approval of the proper authority, between the master and the seaman; and

(b) to wages, at the rate provided for in his agreement, until his arrival at the proper port, as provided for in this sub-section:

Provided that the total period for which the seaman shall be entitled to receive wages in pursuance of paragraph (b) of this sub-section shall not in any case exceed one month from the time of the termination of his services by reason of the wreck or loss of the ship.”

Section proposed to be amended:—

“(1) Where the service of any seaman terminates before the period contemplated in his agreement, by reason of the wreck or loss of the ship, he shall be entitled to wages up to the time of such termination of service only.”

**Mr. TUDOR** (Yarra) [8.56].—As a rule articles are signed for about twelve months, and sometimes a period is specified in addition to the trip. The

clause curtails the amount which a man can receive after the ship has been wrecked. Even if the wreck occurs on the other side of the world, the wages of the seaman will cease within a month. Complaints have been made that, even in the case of some of the Commonwealth line of ships, men were landed owing to illness at other ports, and their wages ceased after a certain time. The ship-owner should be compelled to bring the man back to his port if he so desires. If the wreck takes place on the American coast, the man may prefer to go to some port in England, as that may be the nearest way home for him, but we should not cut his pay short at one month after the wreck. I should like to hear from the Minister why the time has been curtailed. It should be remembered that a seaman may lose everything he possesses if the ship is wrecked. We should make the period three months, or, if the man is brought back to his home port before three months have elapsed, we might provide that the pay should cease on his arrival.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [8.59].—This is a new provision and a new departure. It very often happened that the wreck took place near the port where the service terminated. Thus a man engaged for a voyage to England, and his service terminated on his arrival in England, but he was wrecked somewhere in the Channel. The ship-owner was in that case compelled to pay his wages only for a day or two. In this clause, we are doing two things: we are throwing on the ship-owner the liability to take the man either to the port to which he was shipped under his original agreement, or to bring him back home, or to some other port mutually agreed upon. We are throwing that obligation on the ship-owner. We are also throwing on him the obligation to pay the seamen's wages for one month. As far as we have been able to ascertain, there is no similar provision in any other navigation law.

**Mr. TUDOR**.—Is not the provision taken from the Merchant Seamen's Act 1894? The marginal note suggests that it is.

**Mr. GREENE**.—That part of the clause which provides for the payment of a month's wages is not. My information is that an examination of the navigation laws of the world shows that, as far as

can be ascertained, the general practice, with one exception, is for a seaman's wages to terminate at the time of the wreck. The exception is in the case of the German Seamen's Law of 1902, which provides that where a ship is wrecked or lost the seamen shall be entitled to re-conveyance to the port of departure or to receive proportionate compensation, and, in addition, to a continuance of their wages at one-half the original rate for the time occupied in their re-conveyance. Generally speaking, the provision for the payment of a full month's wages will, I think, cover almost every case. At the same time, it will prevent men straying away from means of re-conveyance home, and will not throw on the ship-owners a greater obligation than is necessary in the circumstances. It is a liberal provision. As it is a new departure, I suggest that the Committee agree to it, so that we may see how it works.

**Mr. GABB** (Angas) [9.5].—I also feel that the period should be extended from one to three months. Where a shipwrecked sailor could be returned to the port of engagement within a month, the clause, as it stands, would work very well; but I would remind the Committee that some time ago one of the Commonwealth line of steamers, while on a voyage from South or North America, was wrecked on an island in the South Pacific, where the men remained for some considerable time. Under the clause as it stands, in such a case, the seamen would not only have to endure the privations attaching to life in an outlandish place, but would receive only one month's wages from the date of shipwreck, even if six months elapsed before they were returned to their home port, or to the port of departure. The shipping companies would not be penalized by the extension of this provision from one to three months. If a shipwrecked crew were conveyed home within a month, there would be an end to the matter; on the other hand, if three months elapsed before they were returned, then, since they were engaged on the work of the company at the time of the disaster and were disadvantaged by the wreck, they should receive their wages in respect of that period. I move—

That the word "one," line 25, be left out, with a view to insert, in lieu thereof, the word "three."

**Mr. MAHONY** (Dalley) [9.8.]—The Minister in charge of the Bill (Mr. Greene) might very well agree to this amendment which, in effect, will not do more than what he is endeavouring to accomplish by his original proposal. His desire is that seamen who are wrecked shall be paid their wages until they are returned to the port of engagement, the port of discharge, or such other port as may be mutually agreed upon. The clause provides that the owners of the shipwrecked vessel shall convey the seamen to one of these ports, and pay them their wages for a period of one month while they are proceeding to their home port. In laying down that principle, we should endeavour to make it effective. Why not put the matter beyond doubt in the way proposed by the honorable member for Angas (Mr. Gabb)? A sailor might be shipwrecked at a point from which he could not be returned to the port of engagement or discharge within less than three months. Is a sailor in such circumstances to be left without sustenance for two out of the three months?

**Mr. MARKS.**—Would not sub-section 2 of the section to be amended, which deals with men who are engaged for the round run, cover that point?

**Mr. MAHONY.**—I think not. The proviso to this clause governs the whole matter. Under it, even if it took the owners of a shipwrecked vessel six months or eight months to return the crew to one of the ports mentioned, they would not have to pay the men more than one month's wages. I am confident that the Committee desires to do the fair thing by these men, and the mercantile marine ask for nothing more. By agreeing to this amendment, the Minister will not give away anything. It provides for the payment of wages for a period not exceeding three months, so that if that period were exceeded in returning a shipwrecked crew to their home port they would not receive more than three months' pay. The honorable member for Wentworth (Mr. Marks) has an intimate knowledge of seafaring matters, and is able to speak of the privations and hardships to which British seamen are subjected. When disaster overtakes a ship, the lives of the passengers depend upon the skill, bravery, and coolness of the seamen, and surely it is not asking too much to demand

that this meed of justice shall be done them.

**Mr. MATHEWS** (Melbourne Ports) [9.12].—It is evident that this clause has been inserted in the Bill because the Minister recognises that it is unfair that shipwrecked seamen shall receive no wages from the time of the wreck until their return home. It is unreasonable to expect them and their families to live on air.

**Mr. GREENE.**—Our object in introducing this provision in the Bill was to remedy an injustice. At the same time, we are trying to safeguard the position. The amendment would probably do an injustice to the other side.

**Mr. MATHEWS.**—The crew of the *John Murray*, when she was wrecked, were stranded for many a month. Why should shipwrecked sailors and their families be expected to live without pay? There are parts of the coast of Western Australia from which it would not be possible to return a shipwrecked crew to their home port within two months. The industry should be called upon to carry the charges necessary to keep a shipwrecked sailor until he is returned to his home port. Having recognised the principle that shipwrecked seamen should be provided for, why should we stop at the payment of one month's wages?

**Mr. CONSIDINE** (Barrier) [9.14].—I support the amendment. The Minister (Mr. Greene) stated that, in introducing this provision, he was actuated by a desire to prevent injustice to the seamen, and later on he said that the amendment proposed by the honorable member for Angas (Mr. Gabb) might do an injustice to the ship-owners. Surely the honorable gentleman must recognise that an injustice would be done to shipwrecked seamen if they were allowed only one month's wages in cases where they could not be returned to their home port within that period. The amendment would do no injustice to the ship-owners. If it takes six weeks to return the seaman to his home port, then, although the Minister claims to be seeking justice for the seaman, the latter will be penalized, and the shipping company will be saved expense to the extent of a fortnight's wages for the man. If the amendment is not agreed to, the only persons penalized will be the seamen of a

wrecked vessel. I hope that the good sense of honorable members generally will secure the carrying of the amendment.

**Mr. CHARLTON** (Hunter) [9.16].—I feel inclined to oppose the proviso altogether. I think it is quite unnecessary. Even if the Committee agreed to the amendment, injustice might be done to seamen under this proviso. A seaman engaged for a certain voyage might be shipwrecked at some remote place, and forced to take refuge upon an island. He might have to remain for a considerable time before a passing vessel could be used to carry him to his port of discharge, or the port at which he was engaged. In such circumstances, why should the period for which the owner of the ship is held to be liable to pay wages to the seamen be confined to a month, or, for that matter, to three months, or any other period? In my opinion, the ship-owner should be called upon to provide against this risk just as he is called upon to provide against expenditure under the Employers' Liability Act. I think there should be no limitation as to the period, in these circumstances, for which the ship-owner should be liable to pay the seamen's wages. It should be held that a seaman engages until such time as he reaches his port of discharge, or is returned to his home port; and in the case of shipwreck, his wages should be continued until he has reached one or other of those ports.

**Mr. CONSIDINE**.—The honorable member should see that without some such provision a seaman marooned on an island in the way he has suggested would get nothing during the period between the wreck of the vessel and his return to his home port, or to his port of discharge.

**Mr. CHARLTON**.—My point is that there should be no limitation of the period provided for, and it would be better, in my view, to omit the proviso altogether than to deliberately do an injustice to seamen in the circumstances. A seaman may be five or six months away from his home because of some accident to his ship over which neither he nor his skipper may have had any control. Is the seaman and his family to suffer in consequence? The family of a seaman should not be made to suffer because their bread-winner is out of employment through

shipwreck. The seaman should be guaranteed his full rate of wages until he is brought to the port at which he engaged to be discharged; or is returned to his home port.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.20].—In the principal Act, for which the Leader of the Opposition (Mr. Tudor) was responsible—

**Mr. TUDOR**.—And that was eight years ago.

**Mr. GREENE**.—Never mind that; the honorable gentleman was responsible for the passing of that Act, and this House agreed to it. There was no obligation placed upon the ship-owner by that Act to bring the shipwrecked mariner back to his home port.

**Mr. TUDOR**.—I think there was.

**Mr. GREENE**.—No; we are inserting such a provision for the first time in this Bill.

**Mr. TUDOR**.—Was not a similar provision to this passed by the Senate in 1914?

**Mr. GREENE**.—I think not. I think that this is an entirely new provision. Part of it, I am sure, is new. I decided to introduce this particular provision first of all throwing upon the ship-owners the obligation to land the seaman at the port to which, under his agreement, he was going, or at such other port as might be mutually agreed upon between him and the master of the vessel, or to return him to his home port. In the next place, I decided that the ship-owners should be called upon, in such circumstances as are set out in the clause, to pay the seamen full wages for a period not exceeding one month. The reason why that period was decided upon is that it is conceivable that a shipwrecked seaman might be landed at a port within a week's sail from Australia, and a vessel by which he could return to Australia might call at that port next day. The representatives of the ship-owners might tell the seaman that he could go back to Australia by that boat, and his passage would be paid. The man might say that that did not suit him, and if he knew that he would receive full wages for three months he might wait for three months before he found a vessel that would suit him.

**Mr. MAHONY**.—If the Minister will look at paragraph *a* he will find that that

could not be done. It is at the option of the master, and the seaman has no option at all.

**Mr. GREENE.**—The conveyance of the seaman to the port of engagement or the port of discharge is what the master of the vessel has to decide, but the clause does not provide that the master shall decide by what ship the seaman shall go to either port. In view of the length of the average voyage of vessels between Australia and other parts of the world, it seemed to me that to throw upon the ship-owners the obligation to pay the seamen full wages for a month was, in the circumstances, a fair compromise. I do not say that in every case under this provision the seaman would secure all that he was entitled to, but in some cases he might secure more, and I consider that a fair compromise is proposed by the proviso as it stands.

**Mr. TUDOR (Yarra)** [9.25].—I agree with the honorable member for Hunter (Mr. Charlton) that it would be better if no limitation were proposed of the period for which the ship-owner should be responsible for the seamen's wages; but if a proposal to leave out the proviso were defeated it would probably be held by the Chairman that it would then be too late to carry such an amendment as that proposed by the honorable member for Angas (Mr. Gabb). I suggest to the honorable member for Hunter that he might move the omission of the first part of the proviso, and if that amendment were defeated it would still be possible to make the amendment proposed by the honorable member for Angas. I do not mind the Minister for Trade and Customs (Mr. Greene) saying that I was responsible for piloting the original measure through this House. That happened eight years ago, and if the Minister or any one else submits an amendment which I regard as an improvement upon any measure I was responsible for passing, I am prepared to welcome it. The Bill now before the Committee is an improvement upon the original Act in some respects, but it also contains some clauses which I do not regard as improvements. Where I consider this Bill better than the original Act I am prepared to support it, but that does not prevent me from trying to improve even this measure.

**Mr. GABB.**—I ask leave to temporarily withdraw my amendment.

Amendment, by leave, withdrawn.

**Mr. CHARLTON (Hunter)** [9.27].—In proposing an amendment to leave out the proviso, I want to say, in reply to the statement made by the Minister, that in the present Navigation Act, there is no provision made for the payment of seamen in these circumstances, but I find that in subsection 2 of section 85 of the Act it is provided that—

Where a seaman whose service terminates by reason of the wreck or loss of a ship has been engaged by the run he shall be entitled to the wages to which he would have been entitled on the termination of the run, subject to just deductions.

That shows that under the Act as it at present stands a seaman is entitled under his agreement, notwithstanding what may happen to the ship, to full pay until he reaches the place at which he is to be discharged.

**Mr. GREENE.**—That applies only to men engaged for the run. There is no such provision applying to men employed under agreement. The provision with respect to men engaged by the run still stands.

**Mr. CHARLTON.**—That is to say that if a seaman engaged by the run is shipwrecked and held up for a considerable time, it may be for a couple of months, he is entitled to full pay under the section I have quoted; but if a seaman is working under an agreement, and is shipwrecked, it is proposed, under the clause now under consideration, that he shall not be entitled to more than one month's wages, though he may have been six months earning them. The seaman who is under agreement and is shipwrecked may be detained in some foreign place for two or three months, but he will receive only one month's pay. Even the amendment suggested by the honorable member for Angas would allow him only a maximum of three months' pay. That is an injustice to seamen, who are just as much entitled to protection as is any man working ashore. In order to test the question, I move—

That all the words in the proviso up to and inclusive of the word "exceed" be left out.

Question.—That the words proposed to be omitted stand part of the clause—put. The Committee divided.

Ayes	...	...	...	26
Noes	...	...	...	21
Majority	...	...	—	5

## AYES.

Bayley, J. G.	Livingston, J.
Bell, G. J.	Mackay, G. H.
Cameron, D. C.	Marks, W. M.
Cook, Sir Joseph	Marr, C. W. C.
Cook, Robert	Prowse, J. H.
Corser, E. B. C.	Rodgers, A. S.
Foster, Richard	Ryrie, Sir Granville
Fowler, J. M.	Smith, Laird
Gibson, W. G.	Wienholt, A.
Greene, W. M.	Wise, G. H.
Gregory, H.	
Groom, L. E.	
Jackson, D. S.	
Jowett, E.	

## Tellers.

Burchell, R. J.
Story, W. H.

## NOES.

Blakeley, A.	Mathews, J.
Brennan, F.	Moloney, Parker
Chapman, Austin	Nicholls, S. R.
Charlton, M.	Page, Dr. Earle
Considine, M. P.	Riley, E.
Cunningham, L. L.	Ryan, T. J.
Francis, F. H.	Tudor, F. G.
Gabb, J. M.	West, J. E.
Hill, W. C.	
Lazzarini, H. P.	
Lister, J. H.	

## PAIRS.

Watt, W. A.	Anstey, Frank
Best, Sir Robert	Makin, N. J. O.
Maxwell, G. A.	Catts, J. H.
Poynton, A.	Page, James
Fleming, W. M.	Fenton, J. E.
Bowden, E. K.	McDonald, C.
Hughes, W. M.	Mahon, H.
Bamford, F. W.	Lavelle, T. J.
Blundell, R. P.	Watkins, D.

Question so resolved in the affirmative.

Amendment negatived.

**Mr. GABB** (Angus) [9.39]. — I move—

That the word "one," line 25, be left out, with a view to insert in lieu thereof the word "three."

The Minister (Mr. Greene) stated that it would be possible for seamen to refuse to travel by a particular boat offered for their conveyance. Whilst the Bill provides that shipwrecked seamen shall be entitled to conveyance, it does not provide that they shall be allowed to claim any particular kind of conveyance. The seamen cannot "sponge," as the Minister suggests, and I resent his insinuation that they would attempt to do so. If the seamen refused the conveyance offered by the ship-owners, they would do so at the risk of their wages. The Minister has cast a slur upon the seamen by suggesting that, in order to draw pay for a couple of months, they would refuse the chance of a prompt return to their homes and loved ones. He apparently fears that

an injustice might be done to the ship-owners. Even if the men did "sponge" in the way he suggests, the extent of the loss to the companies would be only a couple of months' wages for a few men. Such a loss would not be comparable with the injustice that would be inflicted upon men who were left for some weeks in a foreign country without pay. There is some truth in the statement sometimes made by honorable members on this side that the Government seem determined to uphold primarily the interests of property. They are now protecting the interests of the companies in opposition to the interests of the seamen.

**Mr. RILEY** (South Sydney) [9.43].—The navigation laws are not a party question. When the original Bill was before this House all parties agreed to try to make the measure perfect. This Bill provides that men who are under agreement, and are shipwrecked, shall be entitled to one month's pay, and we are now asking that they be entitled to not more than three months' pay. Shipwrecked seamen might be detained on some island for much longer than three months. They might have wives and families dependent upon them, and they should not be deprived of their pay for all that time.

**Sir JOSEPH COOK.**—Three months is rather long. Why not split the difference?

**Mr. RILEY.**—If a man is shipwrecked on an island for three months, he should not be at a loss.

**Mr. GREENE.**—We desire to do the fair thing, and, in all the circumstances, this provision appears to us to be fair.

**Mr. RILEY.**—The feeling of the Committee is that the clause, as drafted, may inflict a grave injustice upon the seamen. The Minister must see that it is the desire of the Committee—and it should be the desire of the Government also—to do the right thing by the seamen. I, therefore, press for the acceptance of the amendment.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.46].—This provision greatly liberalizes the Act, and, indeed, to an extent which no other Navigation Act in the world has gone. Personally, I am inclined to think that if honorable members carefully consider what is

proposed, they will agree to the measure as it stands. However, the Committee seems to have made up its mind that some extension at this point is necessary. I desire to look into the question in order to see how far it may be possible to safeguard the position. If an extension to a period of three months is made, it will be necessary to see whether or not it opens the way to fraud.

**Mr. TUDOR.**—That is rather a nasty imputation.

**Mr. GREENE.**—I do not say that every man will behave fraudulently, but there are a few black sheep in most families. I suggest that consideration of this clause be postponed. Meanwhile I will examine the position.

Clause postponed.

Clause 23 agreed to.

Clause 24—

Section 106 of the principal Act is amended by omitting the words "superintendent shall", and inserting in their stead the words "owner or agent of the ship may".

*Section proposed to be amended—*

*When proceedings have been instituted against a seaman who has deserted from his ship . . . and a warrant has been issued for his apprehension.*

*the superintendent shall continue the proceedings. . . .*

**Mr. TUDOR** (Yarra) [9.48].—Why are we replacing the superintendent by the owner or agent? The Department should stand, as was originally provided, between the seaman and the owner. Here we are taking away that protection, and placing the deserter at the mercy of the owner or his agent. I do not know why the procedure has been altered, particularly in view of the fact that the penalties are to be made more drastic. I want to know why proceedings should be taken out of the hands of the Department, and placed in those of people who may quite likely be disposed to prosecute vindictively.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.50].—The clause as it stands is copied from the New South Wales Act of 1898, but the provision in that Statute has long since been repealed. Other Navigation Acts are so phrased as to throw responsibility upon the owner or his agent. What is more, in our measure, as it formerly stood, it was obligatory on the superintendent to take

action. It is not now considered desirable that the superintendent should be compelled to follow up a seaman, no matter to what part of the world he might go. Therefore the owner or agent is to be placed in a position to carry on proceedings if that party considers it worth while.

Clause agreed to.

Clause 25—

After section one hundred and six of the principal Act the following section is inserted:—

"106A.—(1) Where any seaman lawfully engaged in Australia wilfully or through misconduct fails to join his ship, or having joined his ship deserts her before her departure, and no proceedings under this Act have been instituted against the seaman in respect of the offence, the Minister, on a report by the superintendent, may direct that the seaman's certificates of discharge shall be withheld from him for such period, not exceeding one month, as the Minister thinks fit.

"(2) While a seaman's certificates of discharge are so withheld then, notwithstanding anything to the contrary contained in this Act—

(a) no superintendent shall grant to the seaman a permit to sign articles; and

(b) no officer having the custody of documents shall furnish, to any person, copies of that seaman's certificates of discharge, or any of them, or certified extracts of any particulars of his service or character."

**Mr. TUDOR** (Yarra) [9.53].—The withholding of a seaman's certificates of discharge for a period not exceeding a month, would mean that the sailor could not follow his ordinary avocation. It amounts to a severe penalty, and, seeing that there is provision in the penalties section of the Act for the infliction of a fine of £20 for desertion, it appears that if the two forms of punishment are permitted to take effect together, it will be too drastic. It is not right that a man should be punished twice.

**Mr. GREENE.**—I can assure the honorable member that in such circumstances the offender would not be punished twice.

**Mr. MATHEWS** (Melbourne Ports) [9.55].—The Government is unwarrantably tightening up the Navigation Act. If an owner decides to take no action, is it to be understood that the Government, on the advice of the superintendent, shall take action? Why should the Government come in here at all? A man may refuse to go on board his ship, and the owner may not consider it worth while to proceed against him. Yet proceedings may be taken at the instigation of the

Government. The clause provides power to heavily punish a man, for example, who may go out on strike. I cannot see any other reason why the Government should take steps to interfere.

**Mr. RYAN** (West Sydney) [9.57].—I strongly support the contention of the honorable member for Melbourne Ports. Surely it cannot be the intention of the Minister to take action if the shipping company does not see fit to do so and does not want action taken. It seems to me to be a proposition to substitute political power for the power of the Courts. If a company were to consider that there might be a doubt regarding the establishment of a prosecution before a Court, all that need be done then would be to move the Minister.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.58].—Here again we are following the New Zealand Act, where it has been found that this provision works very well. The idea of placing power in the hands of the Minister upon the report of the superintendent is really intended as a safeguard upon the individual rights of the seaman himself.

**Mr. RYAN**.—Does it not put the Minister in the place of the Court?

**Mr. GREENE**.—Possibly it does in some respects. But at the same time I think it will probably be found to work better in this manner, for that has certainly been the experience in New Zealand. The report of the superintendent for the year 1912-13 states:—

The Shipping and Seamen Amendment Act 1909 empowers the Minister to withhold the certificates of discharge of seamen who desert from or fail to join their ships at the time of sailing, for such time as he thinks fit, and during the time they are withheld the men cannot ship in other vessels. This power is exercised with salutary effect and few men are absent at the time fixed for vessels to sail.

That provision has been found to work beneficially all round.

Clause agreed to.

Clauses 26 to 29 agreed to.

Clause 30 (Expense of illness of the seamen).

**Mr. TUDOR** (Yarra [10.2]).—I presume that under this provision the owners or agents will be responsible for the maintenance of seamen while ill on shore. A case was brought under my notice of a seaman on one of the Commonwealth vessels becoming ill

in Western Australia, and his people being unable to obtain redress. The position should be safeguarded by statute, and the owners or agents compelled to meet their obligations. If the clause does that I shall be satisfied.

**Mr. GREENE**.—That is the position. Clause agreed to.

Clauses 31 to 33 agreed to.

Clause 34—

Section one hundred and thirty-six of the principal Act is amended—

(a) by omitting from paragraph (f) of section (1), the words “three thousand cubic feet”, and inserting in their stead the words “the prescribed quantity”;

(b) by inserting in sub-section (4), after the words “shall not apply to”, the words “limited coast-trade ships of less than three hundred tons gross registered tonnage or”;

Section proposed to be amended—

(1) Every place in a ship registered in Australia or engaged in the coastal trade, which is appropriated to the berthing accommodation of seamen or apprentices, shall—

(f) be ventilated in such a manner as to insure a flow of not less than 3,000 cubic feet of fresh air per hour for each seaman or apprentice.

(4). Sub-sections (2) and (3) of this section shall not apply to river and bay ships, but the owner of every such ship shall make such provision as is prescribed for accommodation for the taking of meals by the seamen and apprentices, and for the sanitary and lavatory accommodation, including bathrooms.

**Mr. MATHEWS** (Melbourne Ports) [10.4].—There is a general belief that the cubic feet space ought to be increased. Some of the American ships have twice the amount of air space provided in our Act, and I should like to know why its provisions are being altered.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [10.5].—Experience has shown that it is practically impossible to supply such a volume of air as is provided for in the principal Act without creating such a strong draught as to cause serious discomfort, and even endanger the health of the crew. Experiments are being carried out to ascertain the proper volume of air flow, and when these have been completed the prescribed quantity will be provided for by regulation. The Act as it stands is

found to be unworkable, and it is necessary to make the alteration for the greater comfort of the men.

**Mr. MATHEWS** (Melbourne Ports) [10.7].—What the Minister has said demonstrates the need for a greater air flow by increasing the amount of cubic feet space provided for the seamen. I have not had an opportunity of ascertaining whether the ships built in Australia conform with the provisions of the Act, but if they do not, action should be taken without delay, otherwise we shall be met with the objection that structural features will prevent the necessary alterations being made at a later date.

**Mr. TUDOR** (Yarra) [10.9].—I am not quite sure that the Minister has provided for the "prescribed quantity" of air in the definition clause, and whether he can do this by a regulation.

**Mr. GREENE**.—Yes.

**Mr. TUDOR**.—There is another point. Sub-section 4 of section 136 of the principal Act calls upon the owners of ships engaged in the coastal trade to make provision as prescribed for accommodation for the taking of meals by the seamen and apprentices and for the sanitary and lavatory accommodation, including bathrooms. Paragraph *b* of the Bill states that this provision shall not apply to "limited coast-trade ships of less than 300 tons gross registered tonnage." Even Inter-State vessels have not this accommodation—

**Mr. GREENE**.—They will be obliged to provide it under the Act.

**Mr. TUDOR**.—Yes, when the Act is brought into operation; but I know that on certain vessels, when a man comes up from the stoke-hold, he has no means of cleansing himself properly. On some ships trading in and out of Melbourne, I have seen a man go to the galley for a bucket of hot water, and as there was no separate room for him to bathe in, he was obliged to go into the forecastle, which is common to all seamen. Vessels engaged in the coastal trade sometimes have a run of 800 miles, or, counting the return journey, 1,600 miles. This would take well over a week, and I say it is not right that men engaged on such vessels should be denied the necessary conveniences and decencies of life. I trust the Minister will look into this matter.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [10.14].—I shall do so. It is perfectly clear, however, that limited coast-trade vessels of less than 300 tons could not very well have hospital accommodation.

**Mr. TUDOR**.—I do not want that.

**Mr. GREENE**.—No; but sub-section 2 of section 136 of the principal Act provides for mess-room accommodation. It is almost impossible to provide a separate mess-room on small coasting vessels. As the honorable member knows, they are generally run by the owner, who himself is a seaman.

**Mr. RILEY**.—They do not carry passengers.

**Mr. TUDOR**.—Yes, they do.

**Mr. GREENE**.—Very rarely. I shall look into the point raised, and see if it is possible to make any further provision.

Clause agreed to.

Clauses 35 to 49 agreed to.

Clause 50 (Investigation of accidents).

**Mr. TUDOR** (Yarra) [10.19].—This clause amends section 176 of the principal Act, which provides that where a case of death, or accident incapacitating from work, happens on board any foreign-going ship, the master shall report it to the shipping superintendent at the port in Australia where the ship first arrives, and the superintendent shall inquire into the cause of death or accident, and shall make in the official log an entry of the result of the inquiry. The clause adds the proviso that in any case where the first call of the ship is at a port other than one of the principal ports, as defined by the regulations, and it is intended that the ship shall proceed thence to one of the principal ports, the Deputy Director may direct that the inquiry may be deferred until the arrival of the ship at the principal port. Does this mean that in the event of an accident happening on a boat coming from Singapore to Australia, whose first port of call is, say, Broome, the master of the vessel will be compelled to go to Fremantle for the purpose of the inquiry? What are the powers of the Deputy Director in connexion with the matter?

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [10.20].—As the Act stands at present the master has to report an accident to the superintendent at the port in Australia where the ship

first arrives. It may happen that this first port is one, say, on the north-west coast of Australia, where there is no superintendent, and where, consequently, it would be impossible to hold an inquiry. The clause simply provides that in such case the inquiry shall be held on the arrival of the ship at the principal port. If the first port of call is Broome, and the next one Fremantle, then the Deputy Director may order that the inquiry be held at the latter place. The clause by another amendment also transfers from the superintendent, who is a minor official, to the Deputy Director, who is the responsible officer, the duty of giving effect to this provision.

Clause agreed to.

Clauses 51 to 55 agreed to.

Clause 56 (Uncertificated steam-ships not to proceed to sea).

**Mr. TUDOR** (Yarra) [10.23].—This part of the Navigation Act has not yet been proclaimed, and, therefore, there has been no difficulty in regard to uncertificated steam-ships up to the present, so far as the Commonwealth is concerned. Under the State law of Victoria, however, there has been difficulty, and I have in mind one case of a vessel which, I understand, cleared out for China. This vessel had not been condemned, but had been refused a clearance on account of unseaworthiness; and, thereupon, she was allegedly sold to a person said to be a resident of Chili, and she left this port flying the Chilian flag. This enabled the owner to defy the port authorities. How far will this clause protect us in a case of the kind? We are all anxious that no unseaworthy ship should put to sea; and I should like to know what power we will have in regard to the master or owner who takes such a vessel to sea, and who may not return.

**Mr. GREENE.**—I believe the clause is all right.

Clause agreed to.

Clause 57 to 60 agreed to.

Clause 61—

Section 202 of the principal Act is amended by adding after the word "certificate" (whenever occurring) the words "of survey of the ship".

*Section proposed to be amended—*

"(1) The owner or master of a steamship shall not receive or have on board thereof any number of passengers greater than that allowed by the certificate." . . .

**Mr. TUDOR** (Yarra) [10.27].—I have travelled on vessels on the coast of Australia which carried a greater number of passengers than the certificate warranted. I believe that at holiday times the Tasmanian boats, which undoubtedly have to face an exceedingly rough trip, during which accidents are quite possible—though there have not been any very serious accidents up to now—have been allowed to carry extra passengers; but I hope that such exemptions will not be permitted in the future.

**Mr. GREENE.**—All these amendments simply bring our Act into line with the articles of the Convention.

Clause agreed to.

Clauses 62 and 63 agreed to.

Clause 64 (Watertight partitions, fireproof bulkheads, and double bottoms).

**Mr. TUDOR** (Yarra) [10.29].—Although this clause is in accord with the requirements of the Convention, there is necessity in the construction of new vessels, as proved by the *Titanic* disaster, for, not only cross bulkheads, but longitudinal bulkheads. The *Titanic* struck an iceberg, and had one side ripped out; but had there been, as there should have been in a vessel of her size, say, three or more longitudinal bulkheads, she would have been saved. The rake-out by the iceberg was practically on the outer skin, and every bulkhead filled one after the other. Anybody who has had experience of shipping realizes the necessity of fitting ships with bulkheads, which will prevent water flowing from one bulkhead to another.

**Mr. GREENE.**—There is power under the regulations to deal with that matter.

**Mr. MARKS.**—I quite agree with the statement of the Leader of the Opposition (Mr. Tudor).

**Mr. TUDOR.**—I hope that the vessels built here will be thus equipped. In Australia we are thinking of providing for the bulk handling of wheat, and longitudinal bulkheads are imperatively necessary for the sea-carriage of that commodity, which otherwise will shift just as readily as will water.

Clause agreed to.

Clauses 65 to 72 agreed to.

Progress reported.

## ADJOURNMENT.

**RETURNED SAILORS AND SOLDIERS IMPERIAL LEAGUE: CONTROL OF THE DISTRIBUTION OF SOLDIERS' TWEED—NAURU ISLAND AGREEMENT.**

Motion (by Sir JOSEPH COOK) proposed—

That the House do now adjourn.

**Mr. CHARLTON** (Hunter) [10.35].—I desire to direct the attention of the Assistant Minister for Defence (Sir Granville Ryrie) to a question relating to the distribution of Anzac tweed. I understand that this material is being distributed through the medium of the Returned Sailors and Soldiers Imperial League. To-day I received a communication from a Returned Soldiers League in my own district complaining that this is unfair. The letter points out that of 400,000 men who enlisted in Australia not one-half are members of the Returned Sailors and Soldiers Imperial League. Consequently objection is taken to the latter body having control of the distribution of this tweed.

**Mr. BURCHELL.**—There are 170,000 members of the League out of 260,000 soldiers who have returned to Australia.

**Mr. CHARLTON.**—The League in my district alleges that 2s. 6d. per yard is being made out of the sale of this tweed by the Returned Sailors and Soldiers Imperial League.

**Sir JOSEPH COOK.**—More allegations of profiteering.

**Mr. CHARLTON.**—That is exactly what is stated in the letter which I have received. It charges the League with profiteering in the distribution of this tweed, and it suggests that its distribution should take place through the Repatriation Department, in order that every soldier may have the right to apply to the sub-branch in his own particular district for a supply of it.

**Sir GRANVILLE RYRIE** (North Sydney—Assistant Minister for Defence) [10.38].—I have not previously heard of this rather serious allegation against the Returned Sailors and Soldiers Imperial League. I have not heard that it is charging returned men who do not belong to the organization 2s. 6d. per yard more for this particular tweed.

**Mr. BLAKELEY.**—As a matter of fact, the Sydney section of the League carried a resolution some six weeks ago that it

would not supply tweed to non-members of the organization.

**Sir GRANVILLE RYRIE.**—It had no right to do that, because the intention of the Government is that the tweed shall be distributed impartially. It is not right to call it "Anzac" tweed, because that particular tweed is hand-woven and can be sold to anybody. The tweed of which the honorable member for Hunter (Mr. Charlton) speaks is that which is manufactured at the Commonwealth Woollen Mills. It is the intention of the Government that every returned soldier shall be able to apply for a suit length of this material, irrespective of whether he belongs to any soldiers' organization or not. I will see that effect is given to that intention, otherwise the privilege which the Returned Sailors and Soldiers Imperial League now enjoys of dealing with the distribution of the tweed will be taken away from it. I will certainly look into the allegation that the League is charging 2s. 6d. per yard more for the tweed sold to non-members of that body.

**Mr. BLAKELEY.**—It is a more serious charge that the League refuses to supply non-members with it.

**Sir GRANVILLE RYRIE.**—I will look into the matter.

**Mr. RYAN** (West Sydney) [10.40].—Under the terms of the Nauru Island Agreement Act, the amount of compensation to be paid by the Commonwealth was either to be agreed upon or fixed by arbitration. I would like to know from the Acting Treasurer (Sir Joseph Cook) whether the amount which, according to present reports, has just been paid over has been fixed by agreement or arbitration?

**Sir JOSEPH COOK.**—It has been fixed by agreement.

**Mr. RYAN.**—I would like further to know whether the authority of Parliament has been obtained for the actual payment of the money, and when that authority was secured. There is no appropriation in the agreement itself, and the item does not appear on any Estimates.

**Sir JOSEPH COOK.**—I am not clear on the matter, but I shall furnish the honorable member with an answer to-morrow.

Question resolved in the affirmative.

House adjourned at 10.42 p.m.

# Members of the House of Representatives.

*Speaker*—The Honorable Sir William Elliot Johnson, K.C.M.G.

*Chairman of Committees*—The Honorable John Moore Chanter.

Anstey, Frank ..	Bourke (V.)	Johnson, Hon. Sir William Lang (N.S.W.)
<sup>2</sup> Atkinson, Llewelyn ..	Wilmot (T.)	Elliot, K.C.M.G.
Bamford, Hon. Frederick Herbert (Q.)		Jowett, Edmund .. Grampians (V.)
William		<sup>5</sup> Kerby, Edwin Thomas Ballarat (V.)
Bayley, James Garfield ..	Oxley (Q.)	John
Bell, George John ..	Darwin (T.)	Lamond, Hector .. Illawarra (N.S.W.)
Best, Hon. Sir Robert Kooyong (V.)		Lavelle, Thomas James .. Calare (N.S.W.)
Wallace, K.C.M.G.		Lazzarini, Hubert Peter .. Werriwa (N.S.W.)
Blakeley, Arthur ..	Darling (N.S.W.)	Lister, John Henry .. Corio (V.)
Blundell, Reginald Pole ..	Adelaide (S.A.)	Livingston, John .. Barker (S.A.)
Bowden, Eric Kendall ..	Nepean (N.S.W.)	Mackay, George Hugh .. Lilley (Q.)
Brennan, Frank ..	Batman (V.)	Mahon Hon. Hugh .. Kalgoorlie (W.A.)
Bruce, Stanley Me bourne	Flinders (V.)	Malhony, William George .. Dalley (N.S.W.)
Burchell, Reginald John ..	Fremantle (W.A.)	Makin, Norman John Hindmarsh (S.A.)
Catts, James Howard ..	Cook (N.S.W.)	Oswald
Cameron, Donald Charles	Brisbane (Q.)	Maloney, William .. Melbourne (V.)
Chanter, Hon. John Moore	Riverina (N.S.W.)	Marks, Walter Moffitt .. Wentworth (N.S.W.)
Chapman, Hon Austin ..	Eden-Monaro	Marr, Charles William Parkes (N.S.W.)
	(N.S.W.)	Claran
<sup>3</sup> Charlton, Matthew † ..	Hunter (N.S.W.)	Mathews, James .. Melbourne Ports (V.)
<sup>4</sup> Considine, Michael Patrick	Barrer (N.S.W.)	Maxwell, George Arnot .. Fawkner (V.)
Cook, Right Hon. Sir Parramatta (N.S.W.)		<sup>1</sup> McDonald, Hon. Charles .. Kennedy (Q.)
Joseph, P.C., G.C.M.G.		McWilliams, William James Franklin (T.)
Cook, Robert ..	Indi (V.)	Moloney, Parker John .. Hume (N.S.W.)
Corser, Edward Bernard	Wide Bay (Q.)	Nicholls, Samuel Robert .. Macquarie (N.S.W.)
Cresset		Page, Earle Christmas Cowper (N.S.W.)
Cunningham, Lucien Gwydir (N.S.W.)		Grafton
Lawrence		Page, Hon. James .. Maranoa (Q.)
Fenton, James Edward ..	Maribyrnong (V.)	Poynton, Hon. Alexander .. Grey (S.A.)
<sup>3</sup> Fleming, William Mont- gomerie	Robertson (N.S.W.)	Prowse, John Henry .. Swan (W.A.)
Foster, Hon. Richard Wakefield (S.A.)		Riley, Edward .. South Sydney
Witty		(N.S.W.)
<sup>2</sup> Fowler, Hon. James Perth (W.A.)		Rodgers, Arthur Stanislaus Wannon (V.)
Mackinnon		Ryan, Hon. Thomas West Sydney
Francis, Frederick Henry Henty (V.)		Joseph, K.C. (N.S.W.)
Gabb, Joel Moses ..	Angas (S.A.)	Ryrie, Sir Granville de North Sydney
Gibson, William Gerrard	Corangamite (V.)	Laune, K.C.M.G., C.B., (N.S.W.)
Greene, Hon. Walter Richmond (N.S.W.)		V.D.
Massy		Smith, Hon. William Denison (T.)
Gregory, Hon. Henry ..	Dampier (W.A.)	Henry Laird
Groom, Hon. Littleton	Darling Downs (Q.)	Stewart, Percy Gerald .. Wimmera (V.)
Ernest		Story, William Harrison .. Boothby (S.A.)
Hay, Alexander ..	New England	Tudor, Hon. Frank Gwynne Yarra (V.)
	(N.S.W.)	<sup>3</sup> Watkins, Hon. David .. Newcastle (N.S.W.)
Higgs, Hon. William Guy Capricornia (Q.)		Watt, Right Hon. William Balaclava (V.)
Hill, William Caldwell ..	Echuca (V.)	Alexander, P.C.
Hughes, Right Hon. Bendigo (V.)		West, John Edward .. East Sydney
<sup>2</sup> William] Morris, P.C., K.C.		(N.S.W.)
Jackson, David [Sydney ..	Bas (T.)	Wienholt, Arnold .. Moreton (Q.)
		Wise, Hon. George Henry Gippsland (V.)

1. Sworn 27th February, 1920.—2. Sworn 3rd March, 1920.—3. Appointed Temporary Chairman of Committees,  
4th March, 1920.—4. Made affirmation, 5th March, 1920.—5. Election declared void, 2nd June, 1920.  
† Sworn 11th May, 1920.

## HEADS OF DEPARTMENTS.

*Senate*.—C. G. Duffy, C.M.G.

*House of Representatives*.—W. A. Gale, C.M.G.

*Parliamentary Reporting Staff*.—B. H. Friend, I.S.O.

*Library*.—A. Wadsworth.

*Joint House Committee*.—G. H. Monahan.



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## COMMITTEES.

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### SENATE.

**DISPUTED RETURNS AND QUALIFICATIONS.**—Senator Keating, Senator Lynch, Senator Pratten, and Senator Senior.

**STANDING ORDERS.**—The President, the Chairman of Committees, Senator de Largie, Senator Foll, Senator R. S. Guthrie, and Senator Earle.

**LIBRARY.**—The President, Senator Bolton, Senator Gardiner, Senator Keating, Senator Lynch, and Senator Pratten.

**HOUSE.**—The President, Senator Bakhap, Senator Buzacott, and Senator Rowell.

**PRINTING.**—Senator Newland, Senator Plain, Senator Reid, and Senator Senior.

**PUBLIC ACCOUNTS (JOINT).**—Senator Crawford, Senator Earle.

**PUBLIC WORKS (JOINT).**—Senator Henderson, Senator Newland.

### HOUSE OF REPRESENTATIVES.

**STANDING ORDERS.**—Mr. Speaker, the Prime Minister, the Chairman of Committees, Mr. Atkinson, Mr. Charlton, Mr. Fowler, and Mr. Tudor.

**LIBRARY.**—Mr. Speaker, Mr. Anstey, Mr. Fleming, Mr. Fowler, Mr. Higgs, Mr. Lamond, Mr. Mackay, Mr. Maxwell, Dr. Maloney\*, and Mr. McDonald.

**HOUSE.**—Mr. Speaker, Mr. R. W. Foster, Mr. Gregory, Mr. Livingston, Mr. Mathews, Mr. James Page, Mr. Rodgers, and Mr. Watkins.

**PRINTING.**—Mr. Bamford, Mr. Bowden, Mr. Corser, Mr. Fenton, Mr. McWilliams, Mr. Riley, and Mr. West.

**PUBLIC ACCOUNTS (JOINT).**—Mr. Bayley, †Mr. Charlton, Mr. Fenton, Mr. Fleming, Mr. Fowler, Mr. Prowse, Mr. West.

**PUBLIC WORKS (JOINT).**—Mr. Atkinson, Mr. Bamford, Mr. Gregory, Mr. Mackay, Mr. Mathews, and Mr. Parker Moloney.

**SEA CARRIAGE : SELECT COMMITTEE.**—Mr. Atkinson, Mr. Burchell, Mr. Corser, Mr. Foster, Mr. Mahoney, Mr. McWilliams, and Mr. Watkins.

\* Appointed 30th March, 1920.      † Appointed 1st July, 1920.